Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

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SUNDRY NOTICES AND REPORTS ON WELLS 5 Lease Senal No Do not use this form for proposals to drill or to re-enter an NM-022534-A abandoned well. Use Form 3160-3 (APD) for such proposals. 6 If Indian, Allottee or Tribe Name 7 If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well Oil Well X Gas Well Other 8 Well Name and No FEB 15 2008 OCD-ARTESIA Quandry BJQ Federal Com #1 2 Name of Operator Yates Petroleum Corporation 9 API Well No. 3b Phone No (include area code) 30-015-35848 3a. Address 505-748-1471 105 S. 4th Str., Artesia, NM 88210 10 Field and Pool or Exploratory Area 4. Location of Well (Footage, Sec ,T ,R.,M , OR Survey Description) Undes. Cemetary; Morrow 11 County or Parish, State Surface - 426'FNL & 1721'FWL of Section 10-T21S-R24E (Unit C, NENW) BHL - 660'FSL & 660'FWL of Section 3-T21S-R24E (Unit M, SWSW) Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Intermediate Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Casing Final Abandonment Notice Convert to Injection Water Disposal 13, Describe Proposed of Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof, the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection Set 9-5/8" 36# J-55 casing at 3620'. Cemented with 1100 sx Halliburton Light Premium Plus "C" + 0.125#/sx 1/4/08 Poly-E-Flake + 1.0% CaCl (yld 2.05, wt 12.4). Tailed in with 200 sx Halliburton Light Premium Plus + 1.0% CaCl (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1000 psi for 30 min. WOC 58 hrs 30 min. Reduced hole to 8-3/4" and resumed drilling. ACCEPTED FOR RECORD

Approved by

Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable fulle to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.