

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.

N.M. Div-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1871

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 1,310' FSL & 1,003' FWL,
BHL: 1,980' FSL & 660' FWL,
Section 9, T22S-R24E, Unit Letter L

5. Lease Serial No.

NM-78214

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No.

Anemone ANE Federal #7

9. API Well No.

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn Assoc.

11. County or Parish, State

Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If 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 shall 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 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation respectfully requests a "contingency" casing program for this well as follows:

| Hole Size | Casing Size | Casing Weight/feet | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|--------------|--------------------|----------------|-----------------|---------------|
| 14 3/4" | 9 5/8" | 36# | 1800' | 400sx | Circulated |
| 8 3/4" | 7" | 23 & 26# | 8,907' | 1200sx | Circulated |
| 6 1/8" | 4 1/2" liner | 11.6# | 8,607'-10,400' | 225sx | 8,607' |

Drill pipe will be changed to 3 1/2", 3 1/2" pipe rams will be installed in the BOP stack. BOP will be tested to 5000psi.

This contingency program will be run if lost circulation occurs in the Canyon formation.

Verbal approval given by Alexis Swoboda, BLM on 10/20/03. Thank-You,

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Jeremiah Mullen

Title

Drilling Engineer Asst.

Signature

Date

October 21, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

OCT 24 2003

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

Office

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)