Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

CARLSBAD FIELD OFFICE

9

SUNDRY NOTICES AND REPORTS ON WELLS

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

DEC 162008 OCD-ARTESI

5 Lease Serial No NM-0559535

6 If Indian, Allottee or Tribe Name

If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. Type of Well X Other 8 Well Name and No. Oil Well Gas Well Federal FR #4 2 Name of Operator Yates Petroleum Corporation 9 API Well No 3b Phone No (include area code) 30-015-36536 10 Field and Pool or Exploratory Area 105 S. 4th Str., Artesia, NM 88210 575-748-1471 4 Location of Well (Footage, Sec., T., R., M., OR Survey Description) Wildcat: Devonian 11. County or Parish, State 2620'FSL & 850'FEL of Section 21-T16S-R30E (Unit I, NESE) - Surface 2170'FSL & 670'FEL of Section 21-T16S-R30E (Unit I, NESE) - BHL Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Water Shut-Off Acidize Deepen Well Integrity Notice of Intent Alter Casing Fracture Treat Reclamation Casing Repair New Construction Recomplete Other Completion Subsequent Repor Plug and Abandon Temporarily Abandon Operations Change Plans Plug Back 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 RIH with tubing and tagged at 9560'. Drilled out 66' cement to DV tool at 9626'. Drilled out. Circulated clean. RIH with tubing and tagged at 11,704'. Drilled out float insert at 11,714'. Cleaned out to 11,757'. Cleaned out 13' - open to 11,770'. Circulated clean. 11/11/08 Pumped 500g 15% NEFE acid. 5-1/2" AS-1 packer with 2.25" on/off tool at 11,659'. 2-7/8" tubing at 11,731'. ACCEPTED FOR RECORD DEC 17 2008 Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Regulatory Compliance-Supervisor Tina Huerta Title EPTED FOR RECORD December 2, 2008 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date FC 1 4 2008 Approved by Title 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 Office 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 of the United States NT

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)