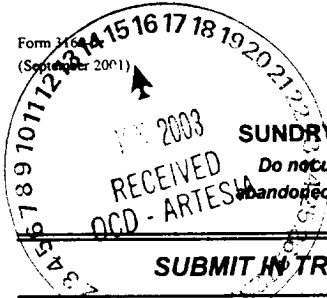


Oil Cons.
N.M. Div-Dist. 2
1001 W. Grand Avenue
Artesia, NM 88210

CISK



SUNDRY NOTICES AND REPORTS ON OIL AND GAS WELLS
Do not use this form for proposals to drill or re-enter 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 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)
 505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)
 1980'FSL and 1980'FWL of Section 19-T9S-R26E **UT. K**

5. Lease Serial No.
 NM-26069

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Margene AWM Federal #5

9. API Well No.
 30-005-62690

10. Field and Pool, or Exploratory Area
 Undesignated Foor Ranch North

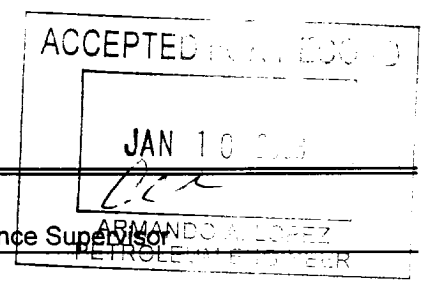
11. County or Parish, State
 Chaves County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" type="checkbox"/> Other <u>Spud, drill</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>cement plugs, set</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>production casing</u>

13. Describe Proposed or Completed Operation (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.)

- 12/21/02 Spudded with Butch's Rathole Service. Notified Stan Mayo with BLM of operations. Cleaned out hole to 4580'.
- 12/26/02 Drilling new formation at 4682' - making new hole at 6:30 PM.
- 12/31/02 Reached TD 5650' at 7:30 AM.
- 1/1/03 Ran 131 joints 4-1/2" 11.6# N-80 SB MV casing set at 5650'. Float shoe set at 5650'. Float collar set at 5603'. Bottom marker set at 4572'. Top marker set at 3939'. Cemented with 800 sx Pecos Valley Lite with additives. Calc TOC 3516'. Notified Stan Mayo with BLM of operations.



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

Name (Printed/Typed) **Tina Huerta** Title **Regulatory Compliance Supervisor**

Signature *Tina Huerta* Date **January 8, 2003**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____