Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BURGALLOG LAND MANAGEMENT

Oil Cons. N.M. DIV-Dist. 2 1301 W. Grand Avenue Artesia NM 88210

FORM APPROVED OMB No. 1004-0135 expires January 31, 2004

Artesia. NM 88210 **BUREAU OF LAND MANAGEMENT** Expires January 31, 2004 SUNDRY NOTICES AND REPORTS ON WELLS 5. Lease Serial No. NM-100831 Do not use this form for proposals to drill or re enter an 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 reverse side 1. Type of Well RECEIVED Other Oil Well X Gas Well 8. Well Name and No. MAR 1 5 2004 Samuel Smith Unit #1 2. Name of Operator Yates Petroleum Corporation 9. API Well No. OCD-ARTESIA 3b. Phone No. (include area code) 30-015-32581 3a. Address 105 S. 4th Str., Artesia, NM 88210 505-748-1471 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Crooked Creek Morrow 11. County or Parish, State Surface - 1400'FSL & 1170'FEL of Section 32-T23S-R24E (Unit I, NESE) Bottomhole - 1000'FSL & 660'FWL of Section 33-T23S-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 Production (Start/Resume) Acidize Deepen Water Shut-Off Notice of Intent Alter Casino Fracture Treat Reclamation Well Integrity Casing Repair Other Surface New Construction Recomplete ubsequent 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. 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.) 2/27/04 Resumed drilling at 10:00 PM. Set 13-3/8" 48# H-40 ST&C casing at 430'. Cemented with 220 sx Premium Plus with additives. Tailed in 2/28/04 with 230 sx Premium Plus with additives. Cement circulated to surface. WOC 26 hrs 30 mins. Reduced hole to 12-1/4" and resumed drilling. ACCEPTED FOR RECORD MAR 9 2004 LES BABYAK 14. I hereby certify that the foregoing is true and correct PETROLEUM ENGINEER Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor Title March 2, 2004 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE 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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willbully 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

which would entitle the applicant to conduct operations thereon