

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 January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.	NM-0925
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	South Loco Hills Unit
8. Well Name and No.	South Loco Hills Unit #21
9. API Well No.	30-015-03523
10. Field and Pool, or Exploratory Area	Loco Hills, QN,GRB, SA
11. County or Parish, State	Eddy, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

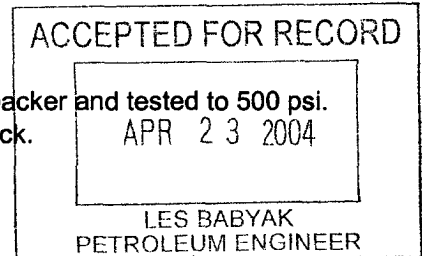
1. Type of Well	
<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator Yates Drilling Company	
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-8463
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 660' FSL & 1980' FWL Section 20-18S-29E	

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 checked="" 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perforate
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleate 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 recompleation 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.)

3/26/2004 RUPU. POH with rods, pump and tubing. RIH with bit, scraper and tbq. and tagged at 2581'.
POH with bit, scraper and tbq.
3/27/2004 RU Computalog and RIH with 4 1/2" CIBP and set at 2480'. Dumped 7' cement on top of CIBP.
New PBTD 2473'. RIH and perforated as follows:
2380'-2384', 2 SPF, .41" shots.
2400'-2408', 2 SPF, .41" shots
2432'-2456', 2 SPF, .41" shots
2444'-2456', 2 SPF, .41" shots
RIH with tail joint, packer and 2 3/8" tbq. Set tail joint at 2291.68'. Set packer and tested to 500 psi.
3/30/2004 Acidized well with 8000 gals 15% HCL with Pentol 100. Flowed well back.
3/31/2004 Hung well on and returned to production.



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Karen J. Leishman	Title Engineering Technician
Signature <i>Karen J. Leishman</i>	Date 4/16/2004

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 Accepted for record - NMOCD	
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		