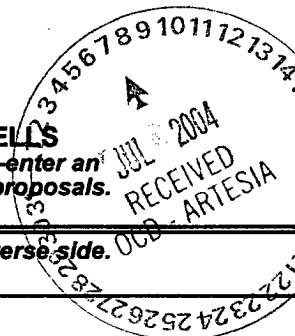


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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 to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*



Lease Serial No.  
NMNM106718

If Indian, Allottee or Tribe Name

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

**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		8. Well Name and No. CHOLLA 1 FED 4
2. Name of Operator HARVEY E YATES COMPANY		9. API Well No. 30-015-32834-00-S1
3a. Address P. O. BOX 1933 ROSWELL, NM 88202	3b. Phone No. (include area code) Ph: 505.623.6601 Ext: 1219 Fx: 505.624.5321	10. Field and Pool, or Exploratory TAMANO-BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T18S R31E SENE 2260FNL 400FEL		11. County or Parish, and State EDDY COUNTY, NM

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 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	
	<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 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.)

WE ADDED ADDITIONAL PERFS TO THE UPPER BONE SPRING, ACIDIZED & PUT BACK ON PRODUCTION.

6/23/04 MOVE IN & RIG UP PULLING UNIT. POOH W/RODS & PUMP.

6/24/04 GIH & SET RBP @ 6050'. POOH W/TBG. RU BAKER ATLAS AND PERF 5944'-5894', 5850'-5825' AND 5810'-5805' W/3 JSPF & 120 DEGREE PHASING (240 HOLES). RD & REL BAKER ATLAS.

6/25/04 ACIDIZE PERFS FROM 5894'-5944' WITH GALS 15% NEFE ACID. FORMATION BROKE @ 3150'. REACIDIZE WITH 4000 GALS SAME ACID. FORMATION BROKE @ 3150'.

6/26/04 RU SWAB & SWAB WELL. UNSET RBP & GIH W/RODS & TBG & PUT WELL BACK ON PRODUCTION.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #32491 verified by the BLM Well Information System For HARVEY E YATES COMPANY, sent to the Carlsbad Committed to AFMSS for processing by ARMANDO LOPEZ on 07/02/2004 (04AL0224SE)</b>	
Name (Printed/Typed) JEN ATKINSON	Title AUTHORIZED SIGNATURE
Signature (Electronic Submission)	Date 07/01/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b>	LES BABYAK Title PETROLEUM ENGINEER	Date 07/02/2004
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 Carlsbad

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***