Form 3160-5 (September 2001)

which would entitle the applicant to conduct operations thereon

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

## N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue INITED STATES

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Artesia, NM 88210 5. Lease Serial No.

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

SUNDRY NOTICES AND REPORTS ON WELLS NM-36612 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 RECEIVED 1. Type of Well Gas Well Other 8. Well Name and No. Oil Well JUL 2 1 2004 Estellita AFO Federal Com #1 2. Name of Operator OCB-ARTESIA Yates Petroleum Corporation 9. API Well No. 3b. Phone No. (include area code) 30-005-62630 505-748-1471 105 S. 4th Str., Artesia, NM 88210 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Springer Basin Strawn 11. County or Parish, State 1980'FNL & 660'FEL of Section 15-T14S-R27E (Unit H, SENE) Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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.) 7/7/04 Perforate Strawn 7442'-7456' (56), 7460'-7466' (24), 7488'-7494' (24), 7528'-7532' (16) and 7542'-7548' (24) for a total of 144 holes. Set AS1 10K packer with 2.25" on/off tool at 7146'. Acidize Strawn with 2800g 7-1/2% Morrow acid and 1000 SCF/bbl N2. 7/8/04 Well is now commingled Morrow and Strawn, effective 6/2004. **DHC-3272** Springer Basin Strawn Gas-91% **Springer Basin Atoka-Morrow Gas-9%** ARMANDO A. LOPEZ PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor Title Signature July 13, 2004 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

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