

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

**SUNDRIY NOTICES AND REPORTS ON WELL**  
Do not use this form for proposals for abandoned well. Use Form 3160-3 (APD) for such proposals.

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side</b>		5. Lease Serial No. <b>NM-28864</b> 6. If Indian, Allottee or Tribe Name  7. If Unit or CA/Agreement, Name and/or No.  8. Well Name and No. <b>Maddox QU Federal #1</b> 9. API Well No. <b>30-015-23989</b> 10. Field and Pool, or Exploratory Area <b>Penasco Draw Permo Penn</b> 11. County or Parish, State <b>Eddy County, New Mexico</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other 2. Name of Operator <b>Yates Petroleum Corporation</b> 3a. Address <b>105 S. 4th Str., Artesia, NM 88210</b> 3b. Phone No. (include area code) <b>505-748-1471</b> 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) <b>990'FSL &amp; 1980'FWL of Section 33-T18S-R24E (Unit N, SESW)</b>		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>  <b>OCT 18 2004</b>  <b>OCU-ARTEZIA</b> </div>

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>Repair casing</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>leak, Plugback</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>and Recomplete</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 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.)

9/1/04 Began work on well.  
 9/8/04 Set RBP at 6850'. Tested casing to 500 psi. Did not test. Pumping 2 BPM @ 500 psi. Opened up 8-5/8" casing valve. Pumped 3 BPM @ 200 psi. Had a blow on 8-5/8" casing, 4-1/2" casing would go on vacuum. Prepare to find hole in casing.  
 9/9/04 Started testing casing at 3000'. Casing tested good from 3732' to surface with 1000 psi for 30 mins. Casing did not test from 3732'-5650'. Tested good from 5650' to RBP with 1000 psi for 30 mins. Pull RBP.  
 9/12/04 Set CIBP at 8350'. Set cement retainer at 3700'. Pressured up casing to 700#. NOTE: Bad casing from 3735'-5650'.  
 9/13/04 Pumped 600 sx "C" cement at 14.8#.  
 9/14/04 Drilled up cement retainer at 3700'.  
 9/15/04 Drilled out cement. Fell out of cement at 4570'. Circulated clean. TIH to 5800'. Tested casing to 1000 psi for 30 mins. Lost 200 psi.

**CONTINUED:**

14. I hereby certify that the foregoing is true and correct		<b>ACCEPTED FOR RECORD</b>	
Name (Printed/Typed) <b>Tina Huerta</b>	Title <b>Regulatory Compliance Supervisor</b>	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <b>OCT 14 2004</b> </div>	
Signature 	Date <b>October 11, 2004</b>		
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>		<b>LEO BADAOK</b> <b>PETROLEUM ENGINEER</b>	
Approved by _____		Title _____	
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 _____	

Yates Petroleum Corporation  
Maddox QU Federal #1  
Section 33-T18S-R24E  
Eddy County, New Mexico

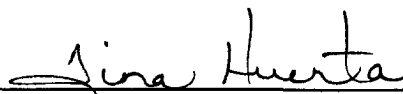
**Form 3160-5 continued:**

9/17-19/04 Perforate Cisco 6251', 56', 68', 72', 81', 94', 6303', 14', 36', 40', 62', 72', 87', 6400', 04', 08', 16', 26', 50', 59', 64', 70', 77', 83', 93', 98', 6504', 36', 47', 52', 64', 72', 85', 6600' with 35 .42" holes.

9/20/04 Acidize Cisco with 3500g 20% IC HCL.

9/23/04 Acidize Cisco with 30,000g 20% gelled IC HCL.

10/4/04 Acidize Cisco with 3500g 20% HCL. Set packer at 6184'. Moved in swabbing unit for continued testing.

  
Regulatory Compliance Supervisor  
October 11, 2004