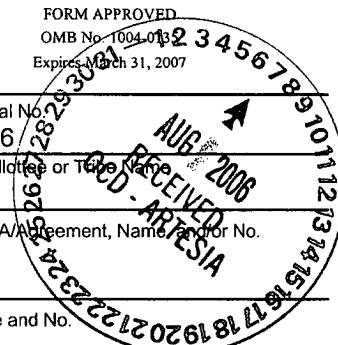


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0132
Expires March 31, 2007



SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

1980'FNL & 1980'FWL of Section 13-T24S-R29E (Unit F, SENW)

5. Lease Serial No.

NM-88136

6. If Indian, Allottee or Tribal Name

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

8. Well Name and No.

Corral Draw AQH Federal #2

9. API Well No.

30-015-34257

10. Field and Pool, or Exploratory Area

Undes. Pierce Crossing; Bone Spring,
East/Undes. Cedar Canyon; Delaware

11. County or Parish, State

Eddy County, New Mexico

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>Recomplete,</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Downhole commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>and DHC %'s</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 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.)

- 7/14/06 Set a composite bridge plug at 7200'. Perforate Delaware 6352'-6370' (19), 6856'-6870' (15), 6900'-6906' (7) and 6938'-6958' (21). Frac Delaware with 20# borate gelled 3% KCL water carrying 45,000# 20/40 Ottawa and 75,000# 20/40 Expedite sand and 2500g 7-1/2% NEFE HCL.
- 7/18/06 Perforate Delaware 5366'-5372', 5390'-5396', 5840'-5842', 5856'-5860', 5952'-5956', 5966'-5970' and 6056'-6062' for a total of 39 - .42" holes. Frac with 20# borate gelled 3% KCL water carrying 45,000# 20/40 Ottawa and 75,000# 20/40 Expedite sand and 2500g 7-1/2% NEFE.
- 7/21/06 Drilled out composite bridge plug at 7200'.

WELL IS COMMINGLED BONE SPRING AND DELAWARE EFFECTIVE 7/2006

Undesignated Pierce Crossing; Bone Spring, East Oil-7% Gas-81%
Undesignated Cedar Canyon; Delaware Oil-93% Gas-19%

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Date July 26, 2006

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

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