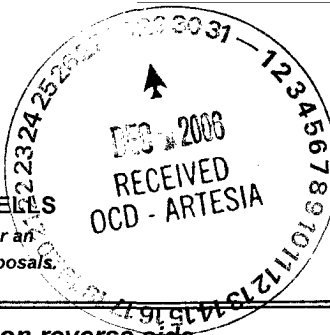


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.



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)

2180'FNL & 1980'FWL of Section 23-T20S-R24E (UNIT F, SENW)

5. Lease Serial No.

NM-043625

6. If Indian, Allottee or Tribe Name

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

NMNM84608

8. Well Name and No.

Saguaro AGS Federal Com #5

9. API Well No.

30-015-26475

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

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 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" 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 recompleat 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 recompleat 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.)

Yates Petroleum Corporation plans to plug and abandon this well as follows:

NOTE: CIBP's at 6390' + 35' cement and 7520' + 35' cement

1. Rig up safety equipment as needed.
2. Spot 100' cement plug (25 sx) from 5801'-5901'.
3. Spot 100' cement plug (25 sx) from 3281'-3381'.
4. Spot 100' cement plug (25 sx) from 1175'-1275'. Tag plug.
5. Spot 100' cement plug (25 sx) from 100' to surface. Tag plug.
6. Cut off wellhead and install dry hole marker.

**Accepted for record
NMOCD**

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

| | |
|---|----------------------------------|
| 14. I hereby certify that the foregoing is true and correct | |
| Name (Printed/Typed) | Tina Huerta |
| Title | Regulatory Compliance Supervisor |
| Signature | <i>Tina Huerta</i> |
| 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

WELL NAME: Saguaro AGS Federal #5 FIELD: Dagger Draw

LOCATION: 2,180' FNL & 1,980' FWL of Section 23-20S-24E Eddy Co., NM

GL: 3,640 ZERO: 14' KB: _____

SPUD DATE: _____ COMPLETION DATE: _____

COMMENTS: TA'd 3/6/98

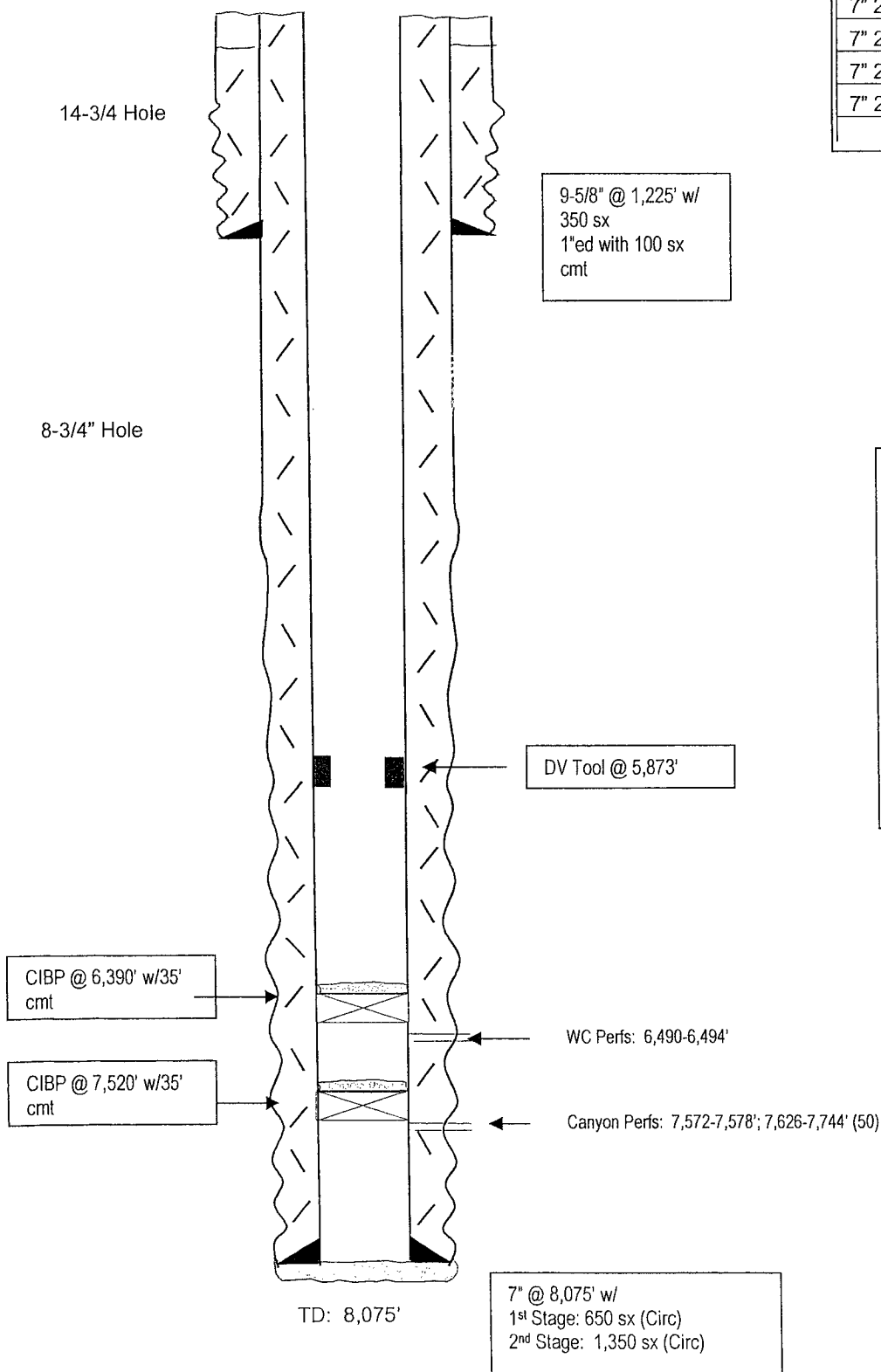
CASING PROGRAM

| | | |
|----------------|-------|--------|
| 9-5/8" 36# J55 | | 1,225' |
| 7" 26# J55 LTC | 111' | |
| 7" 23# N80 LTC | 727' | |
| 7" 23# J55 LTC | 4000' | |
| 7" 26# J55 LTC | 2720' | |
| 7" 26# N80 LTC | 517' | 8075' |

Before

TOPS

SA 567'
Glorieta 2,092'
Yeso 2,191'
BS 3,331'
3rd BS 5,330'
Abo Dolo 5,578'
WC Lm 5,851'
Canyon Lm 7,470'
Canyon Dolo 7,572'



Not to Scale
7/27/06
DC/Shannon

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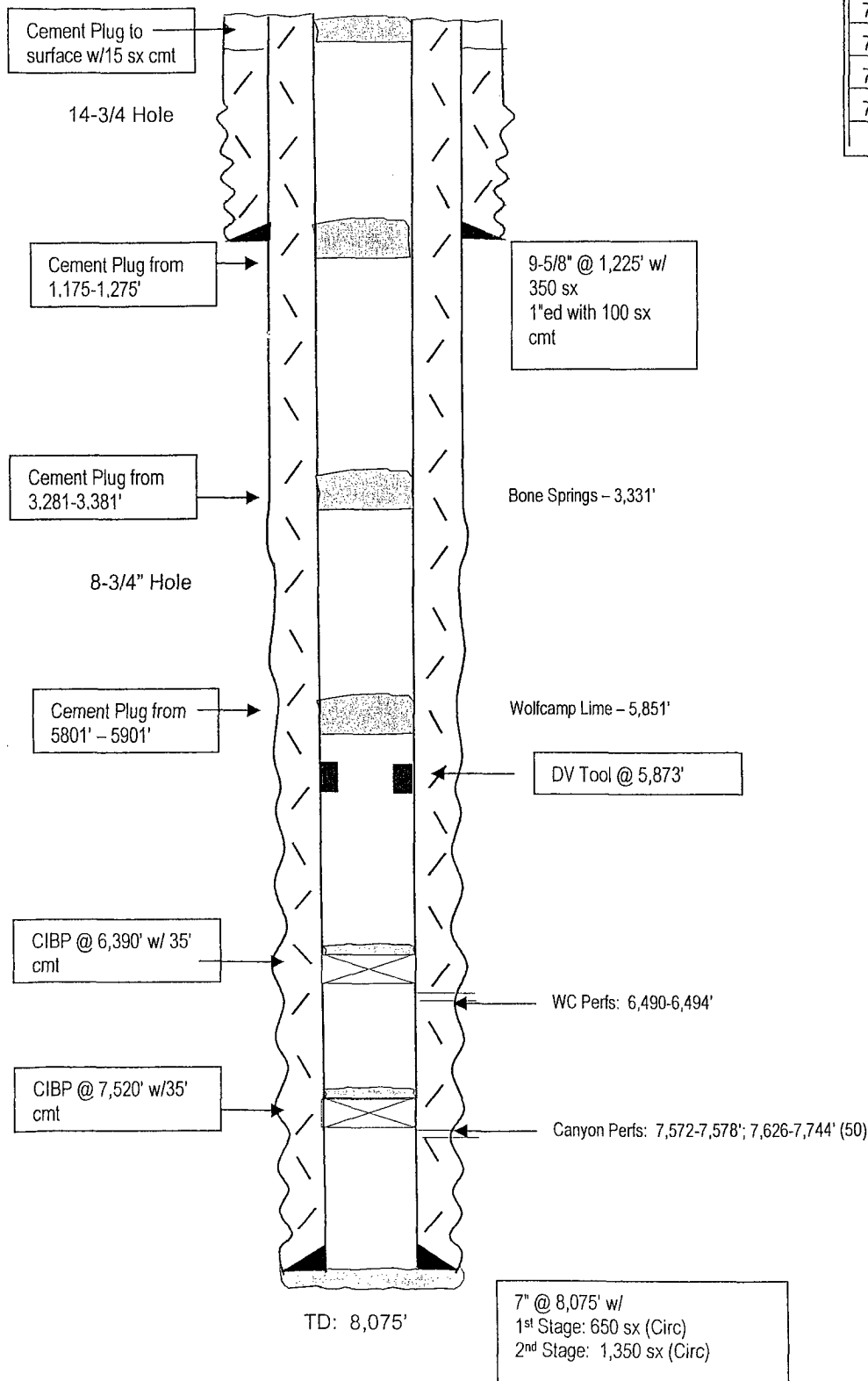
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