JUN-15-2007 FRI 11:14 AM YATES PETROLEUM LAND FAX NO. 15057484572 P. 02/02 FORM APPROVED Form 3160-5 UNITED STATES OCD-ARTESIA OMB No 1004-0135 (August 1999) Expires Inovember 30, 2000 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Lease Serial No. NM-113930 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well 8. Well Name and No. X Oil Well Gas Well Retriever BJH Federal #1 (Re-Entry) Name of Operator 9. API Well No. Yates Petroleum Corporation Phone No. (Include area code) 30-015-20869 Address 10. Field and Pool, or Exploratory Area 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471 Location of Well (Footage, Sec., T., R., M., or Survey Description) JUN_19 2007 11. County or Parish, State 1650' FNL and 1650' FWL, Unit F (SENW) Section 22, T26S-R25E Eddy County, New Mexico OCD-ARTESIA 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Deepen Notice of Intent Acidize Reclamation Well Integrity Alter Casing Fracture Treat Other Variance for steel tanks **New Construction** Recomplete Casing Repair Subsequent Report Plug and Abandon Temporarily Abundon Change Plans Water Disposal Final Abandonment Notice Plug Back Convert to Injection 13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to despen directionally or recomplete horizontally, give substitute locations and measured and true ventical 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.) Yates Petroleum Corporation request a variance to the Conditions of Approval with regards to all fluids will be in steel tanks and hauled off. Yates Petroleum Corporation request for safety issues regarding possible gas kicks steel tanks will not be used; a 120' x 120' foot cuttings pit will be utilized as indicated on approved sundry 3/20/2007. Thank you. I hereby certify that the foregoing is true and correct Title

14. Thereby certify that the foregoing is true and correct
Name (Printed/Typed)

Debbie L. Caffall

Date

June 15, 2007

EDERAL OR STATE-USE

Approved by

Conditions of approval, if any, are attached. Approvid of this notice does not warrant or certify that the applicant holds legal or equitable fulle to thuse rights in the subject lease which would entitle the applicant to conduct operations thereon.

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States first itious or fraudulent statements or representations as to any matter within its jurisdiction.