

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMNM22994
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		8. Well Name and No FOXTAIL AXJ FEDERAL COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T20S R24E SWSW 660FSL 660FWL		9. API Well No. 30-015-26873
11. County or Parish, and State EDDY COUNTY, NM		10. Field and Pool, or Exploratory WILDCAT, YESO/GLORIETA

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input checked="" type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 workover and possibly plugback and recompleat this well as follows: Set a 7" CIBP at 7613' with 35' cement on top. Perforate Canyon 7130'-7160'(62). Stimulate as needed. TIH with tubing to 5625' and circulate hole with salt gel mud to 3358' and spot a 100' cement plug across the DV tool from 5625'-5725'(25 sx). Spot a 100' cement plug across the Wolfcamp from 5457'-5557'(25 sx). Set a 7" CIBP at 4869' with 35' cement on top. Perforate Yeso 2392'-2410'(19), 2422'-2428'(7), 2432'-2446'(15), 2466'-2478'(13), 2496'-2502'(7) and 2506'-2510'(5). Stimulate as needed. Set a composite plug at 2342'. Perforate Yeso 2140'-2152'(13), 2156'-2164'(9), 2174'-2182'(9), 2190'-2206'(17), 2228'-2234'(7), 2262'-2270'(9) and 2282'-2286'(5). Stimulate as needed. Will possibly drill out composite plug and produce all Yeso perfs.

*Provide Field***SEE ATTACHED FOR
CONDITIONS OF APPROVAL****SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #60566 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 06/03/2008
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
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	
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.	

APPROVED
JUN 7 2008
WESLEY W. INGRAM**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Accepted for record - NMOCD

**Foxtail AXJ Federal Com 1
Yates Petroleum Corporation
June 7, 2008
Plug Back
Conditions of Approval**

- 1. Notify BLM at 575-361-2822 prior to commencing work.**
- 2. A blowout preventer (BOP) shall be installed before commencing work.**
- 3. Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.**
- 4. Cement requirements - Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.**
- 5. Tag CIBP at 7613' to verify depth prior to placing cement on top.**
- 6. If new Canyon perforations are productive, submit subsequent sundry with details and production test. If not, proceed with plug back and recompletion in Yeso formation.**
- 7. Plug across DV tool is to be set from 5900' and is to be 160' in length – approximately 30 sacks and is to be tagged at 5740' or shallower. Per sundry dated 12/16/91, the DV tool is set at 5845' not between the proposed plug depth of 5625 – 5725'.**
- 8. Plug depth for next plug is okay. Plug is to be 160' in length – approximately 30 sacks.**
- 9. Move plug at 4869' to 3358' for top of Bone Spring formation.**
- 10. Remainder of procedure is okay.**
- 11. Submit subsequent sundry detailing work done and completion report.**
- 12. Work to be complete by 10/05/2008.**
- 13. Note – if composite plug is left in place, cement will need to be placed on it when well is plugged.**

WWI 060708