

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCCUPANCY

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 S. 4th St. - Artesia, NM 88210	3b. Phone No. (include area code) 505-748-1471	8. Well Name and No. Long Arroyo WH Federal #2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FEL of Section 11-T14S-R27E (Unit P, SESE)		9. API Well No. 30-005-63386
		10. Field and Pool, or Exploratory Area Wildcat Morrow
		11. County or Parish, State Chaves Co., NM

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 Spud, conductor, resume drilling, surf. casing & cement
	<input type="checkbox"/> Change Plans	<input 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 recomple 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 recomple 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.)

Spudded a 20" hole with rat hole machine at 11:30 AM 6-15-2001. Drilled to 40'. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified BLM-Roswell of spud. Resumed drilling a 14-3/4" hole with rotary tools at 2:00 AM 6-18-2001. NOTE: Notified Stan Mayo w/BLM-Roswell.

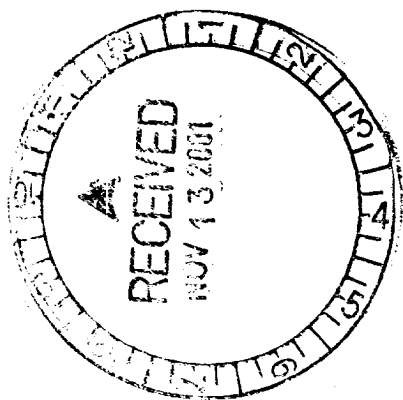
TD 400'. Reached TD at 12:30 PM 6-18-2001. Ran 11 joints of 11-3/4" 42# H-40 (406.82') of casing set at 400'. 1-Texas Pattern notched guide shoe set at 400'. Insert float set at 354'. Cemented with 200 sacks "H", 10% A-10B, 1% CaCl₂, 1/4#/sack celloflake and 10# LCM (yield 1.52, weight 14.6). Tailed in with 300 sacks "C" and 2% CaCl₂ (yield 1.32, weight 14.8). PD 4:00 PM 6-18-2001. Bumped plug to 800#, OK. Cement did not circulate. WOC 4 hours. Ran 1" and tagged cement at 123'. Spotted 25 sacks "C" and 4% CaCl₂. PD 9:00 PM 6-18-2001. WOC 3-1/2 hours. Ran 1". Tagged cement at 123'. Spotted 25 sacks "C" and 4% CaCl₂. PD 12:30 AM 6-19-2001. WOC 2-1/2 hours. Ran 1" and tagged cement at 107'. Spotted 25 sacks "C" and 4% CaCl₂. PD 3:00 AM 6-19-2001. WOC 3 hours. Ran 1". Tagged cement at 107'. Spotted 25 sacks "C" and 4% CaCl₂. PD 6:00 AM 6-19-2001. WOC

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

CONTINUED ON NEXT PAGE:

Rusty Klein	Title Operations Technician	ACCEPTED FOR RECORD
Signature <i>Rusty Klein</i>	Date Sept. 30, 2001	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		

Approved by	Title	Date NOV 14 2001
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	ALEXIS C. SWOBODA PETROLEUM ENGINEER



YATES PETROLEUM CORPORATION
Long Arroyo WH Federal #2
Section 11-T14S-R27E
Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

2-1/2 hours. Ran 1". Tagged cement at 67'. Spotted 50 sacks "C" and 4% CaCl₂. PD 8:45 AM 6-19-2001. Broke circulation and pumped 50 sacks "C" and 4% CaCl₂. Stopped pumping at 9:15 AM 6-19-2001. Circulated 8 sacks to pit. WOC. Nipped up and tested to 3000# for 15 minutes, OK. Drilled out at 10:30 PM 6-19-2001. WOC 30 hours and 30 minutes. Reduced hole to 11". Resumed drilling.

A handwritten signature in cursive script, reading "Rusty Klein", is written over a horizontal line.

Rusty Klein
Operations Technician
September 30, 2001