

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons. APPROVED
N.M. DIV. Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
Case Serial No. NM-26069

C15F

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.

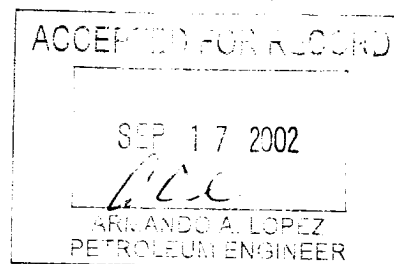
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee, or Tribe Name
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA. Agreement Designation
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (505) 748-1471	8. Well Name and No. Margene AWM Federal #2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980'FSL & 660'FEL of Section 20-T9S-R26E		9. API Well No. 30-005-63488
		10. Field and Pool, or Exploratory Area Undesignated Foor Ranch North
		11. County or Parish, State Chaves County, New Mexico

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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>Set surface casing</u>
	<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 recompleate horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamanation, have been completed, and the operator has determined that the site is ready for final inspection.)

8/28/02 TD surface hole at 7:30 AM. RIH with 27 joints 8-5/8" 24# (1108.59' including landing joint) casing set at 1106'. Texas pattern guide shoe set at 1106'. Insert float set at 1061'. Cemented with 500 sx 35:65 Poz "C" with additives. Tailed in with 200 sx "C" with additives. PD at 2:15 PM. Circulated 56 sx. WOC 22 hours 15 mins. Reduced hole to 7-7/8" and resumed drilling. Notified Stan Mayo with BLM of operations 8/28/02.



14. I hereby certify that the foregoing is true and correct.		
Name (Printed/ Typed) Tina L. Huerta	Title Regulatory Compliance Supervisor	
Signature <i>Tina L. Huerta</i>	Date September 3, 2002	
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.		
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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		
(Instructions on reverse)		