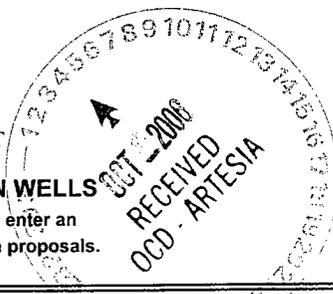


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-02056
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-1471	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 330'FNL & 1650'FWL of Section 33-T18S-R29E (Unit C, NENW)		8. Well Name and No. Federal AR #1
		9. API Well No. 30-015-03491
		10. Field and Pool, or Exploratory Area Turkey Track SR Queen Grayburg SA
		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 recomplate 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 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 plans to plug and abandon this well as follows:

- MIRU all safety equipment as needed. No casing recovery will be attempted.
- Set a CIBP at 1929'. Tag CIBP and load the hole with plugging mud. Keep wellbore loaded with mud. Spot a 25 sx Class "C" cement plug from 1679'-1929'.
- Perforate 4 - .42" squeeze holes at 942'. Squeeze with 75 sx Class "C" cement into the perms. Displace the cement to 842'. WOC. Tag the plug and reset if necessary. This will put a plug across the base of the salt.
- Perforate 4 - .42" squeeze holes at 466'. Squeeze with 125 sx Class "C" cement with 5#/sx salt from 466' to near the surface. Displace the cement to 300'. WOC. Tag the plug and reset if necessary. This will put a plug across the top of the salt and across the surface casing shoe.
- Perforate 4 - .42" squeeze holes at 150'. Tie onto the 5-1/2" casing and squeeze with 50 sx Class "C" cement. Do no displace the cement. WOC. Tag the plug and reset if necessary. This will form the surface plug.
- Remove all surface equipment and weld dry hole marker per regulations.

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

**Accepted for record
NMOCDC**

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 October 2, 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 _____		

WELL NAME: Federal AR #1 FIELD: Turkey Track

LOCATION: 330' FNL & 1,650' FWL of Section 33-18S-29E Eddy Co., NM

GL: 3,417 ZERO: KB:

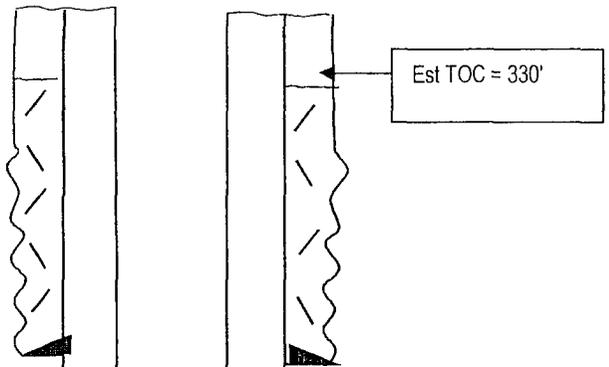
SPUD DATE: 5/20/62 COMPLETION DATE: 7/62

COMMENTS: API No.: 30-015-03491

CASING PROGRAM

8-5/8" 24#	416'
5-1/2" 15.5#	2,017'

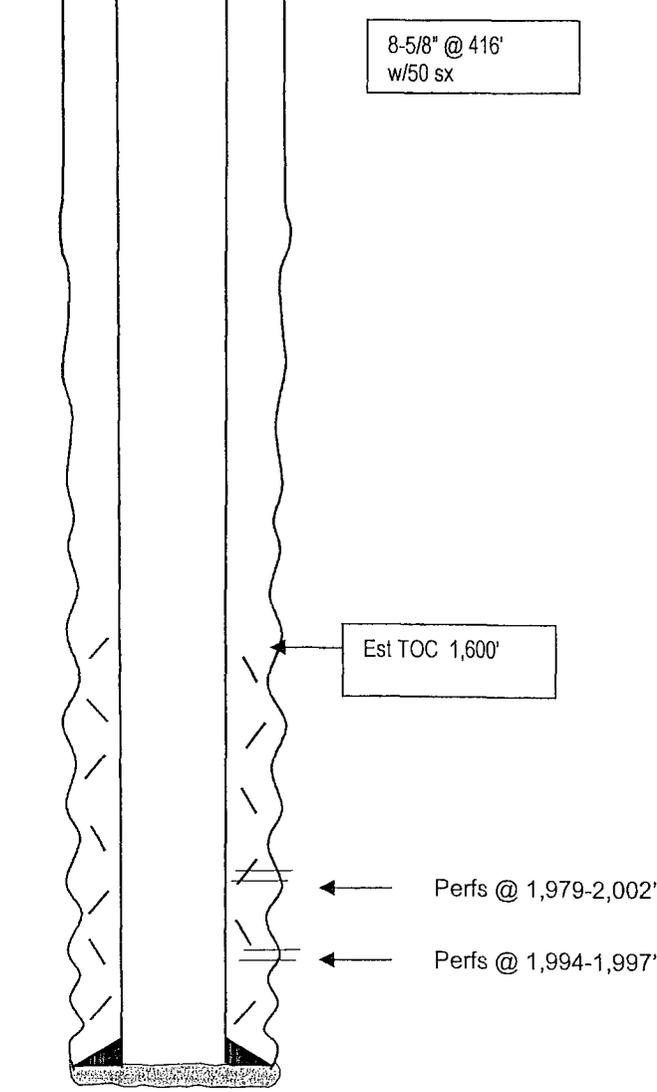
12" Hole



Before

TOPS	
Top of Salt	350'
Base of Salt	842'
Yates	1,044'
7 Rivers	1,365'
Queen	1,973'
Salt Water from	360-365'

8" Hole



Not to Scale
9/1/06
DC/Hill

WELL NAME: Federal AR #1 FIELD: Turkey Track

LOCATION: 330' FNL & 1,650' FWL of Section 33-18S-29E Eddy Co., NM

GL: 3,417 ZERO: KB:

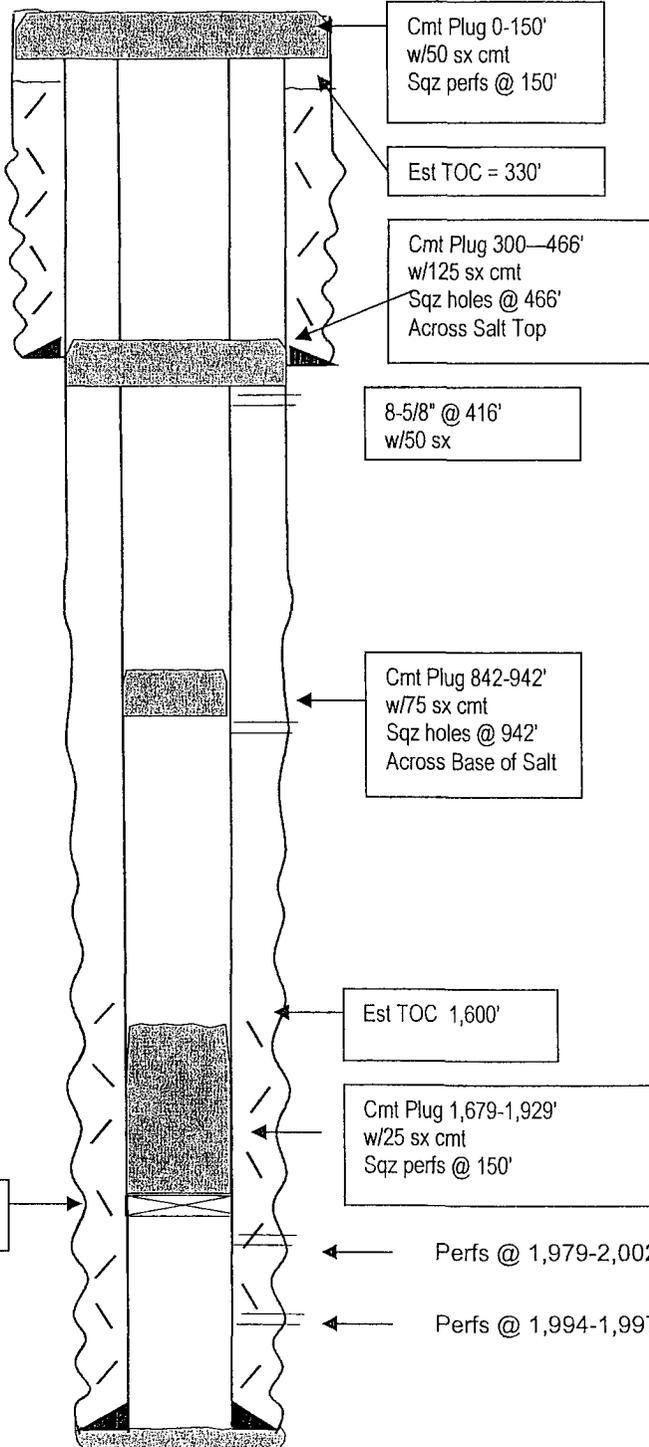
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COMMENTS: API No.: 30-015-03491

CASING PROGRAM

8-5/8" 24#	416'
5-1/2" 15.5#	2,017'

12" Hole



8" Hole

CIBP @ 1,929'

TD: 2,021'

5-1/2" @ 2,021'
w/60 sx

After

TOPS	
Top of Salt	350'
Base of Salt	842'
Yates	1,044'
7 Rivers	1,365'
Queen	1,973'
Salt Water from	360-365'

Not to Scale
9/1/06
DC/Hill