

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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



Oil Well



Gas Well



Other _____

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

330' FNL 330' FWL Sec 17-T22S-R32E (NWNW)

5. Lease Serial No.

NM-86148

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Cleary AKC Federal 2

9. API Well No.

30-025-31926

10. Field and Pool, or Exploratory Area

Livingston Ridge; Delaware, East

11. County or Parish, State

Lea, NM

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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<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 checked="" 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 recomplete 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.)

- 1) MIRU. NDWH and NU BOP. RU safety equipment. POOH w/tubing and production equipment.
- 2) Set CIBP @ 6415' and cap w/35' cement.
- 3) Perforate Bell Canyon and Upper Cherry Canyon Delaware 5424', 26', 28', 30', 36', 38', 40', 5568', 80', 5630', 32', 34', 46', 48', 50', 62' and 64' for total of 20 holes.
- 4) The interval 5776-94' is already open and has been acidized. This interval is to be included in the frac.
- 5) Frac 5424-5794' down 5-1/2" casing @ 50 BPM.
- 6) Set RBP @ 5310', test and dump two sx sand on top.
- 7) Perforate Bell Canyon Delaware 4824', 26', 28', 34', 36', 40', 42', 48', 53', 56', 58', 64', 4924', 26', 28', 30', 5090', 92', 94', 96', 98', 5164', 66', 70', 72', 80', 82', 5216', 18', 24', 26', 28', 58', 60', 62'.
- 8) Frac 4824-5262' down 5-1/2" casing @ 50 BPM.
- 9) Retrieve RBP and TOOH.
- 10) TIH w/nickel-plated packer and set @ 4724' (100' above top perf) and 2-7/8" plastic-coated tubing.

(Proposed schematic attached.)

SUBJECT TO LIKE
APPROVAL BY STATE14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Stormi Davis

Title Regulatory Compliance Technician

Signature

Date

2/19/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

APPROVED

FEB 22 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER

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

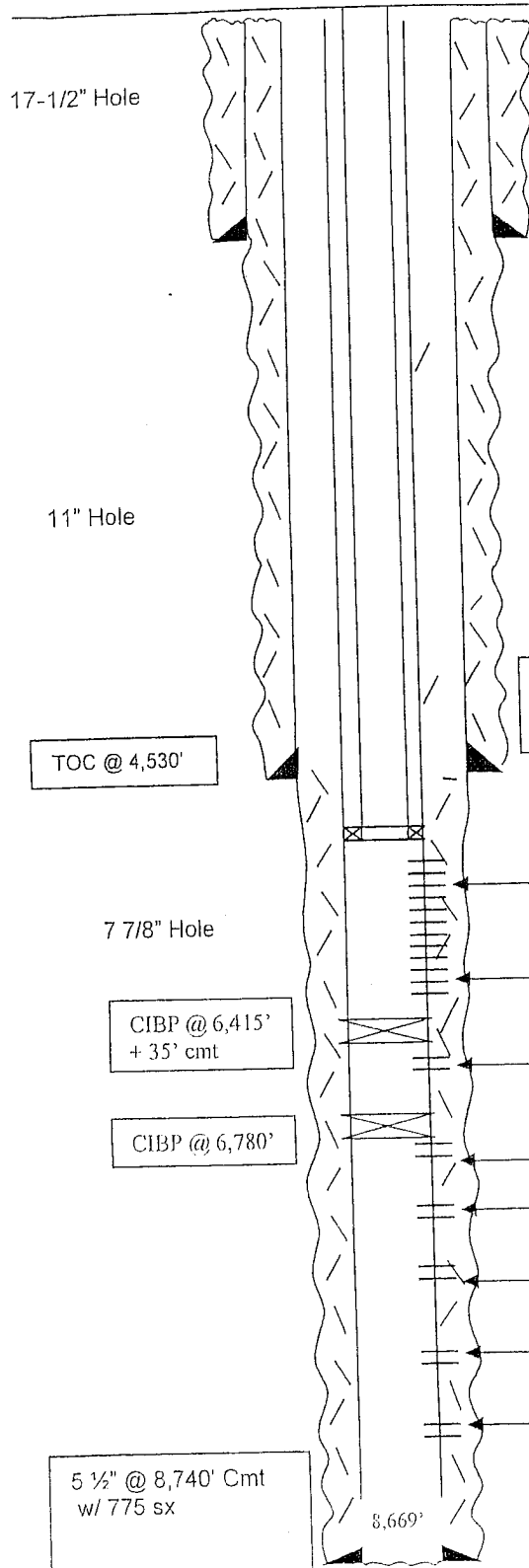
GWW

WELL NAME: Cleary AKC Fed #2 FIELD: Livingstone Ridge, Delaware East
 LOCATION: 330' FNL & 330' FWL Sec. 17-22S-32E Lea County

GL: 3,716' ZERO: KB: 3,736'
 SPUD DATE: 12/13/04 COMPLETION DATE: 03/02/05
 COMMENTS: API No. 30-025-31926

CASING PROGRAM

13-3/8" 54.5# J55 ST&C	862'
8-5/8" 32# J55 ST&C	4,528'
5 1/2" 15.5 & 17# J55 LT&C	8,740'



13-3/8" @ 862'
 w/ 800 sx (circ)

8-5/8" @ 4,528'
 w/ 1,800 sx (Circ)

After

Formation tops:

Rustler : 851'
 BOS : 4424'
 Delaware : 4721'
 Cherry Canyon : 5696'
 Brushy Canyon : 7454'
 Bone Spring : 8633'

Stage 2: 4824, 26, 28, 34, 36, 40, 42, 48, 53, 56, 58, 64, 4924, 26, 28, 30, 5090, 92, 94, 96, 98, 5164, 66, 70, 72, 80, 82, 5216, 18, 24, 26, 28, 58, 60, 62

Stage 1: 5424, 26, 28, 30, 36, 38, 40, 5568, 70; 76, 78, 80, 5630, 32, 34, 46, 48, 50, 62, 64 + existing perms: 5776-94 (22)

Cherry Canyon Perfs: 6,465'-68' (4)

Cherry Canyon Perfs: 6,807'-11', 6,814'-28'

Cherry Canyon Perfs: 6,868'-74'

Cherry Canyon Perfs: 7,044'-50', 7,244'-58, 7,290'-92'

Brushy Canyon Perfs: 7,430'-37', 7,474'-78'

Brushy Canyon Perfs: 8554'-70', 74'-96', 8,610'-18'

Not to Scale

09/11/06
 MMFH