New Mexico Oil Conservation Division, District I 1625 N. French Drive

Hobbs, NM 88240

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| (September 2001) JUN 29 21119 DEPARTMENT (BUREAU OF LAN | D STATES OF THE INTERIOR ND MANAGEMENT | FORM APPROVED OMB No 1004-0135 Expires January 31, 2004 |
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| | ID REPORTS ON WELLS roposals to drill or re enter an 160-3 (APD) for such proposals. | 5 Lease Serial No NMNM015807 6 If Indian, Allottee or Tribe Name |
| SUBMIT IN TRIPLICATE - Oti | her instructions on reverse side | 7. If Unit or CA/Agreement, Name and/or No. |
| 1. Type of Well A Oil Well Gas Well | Other V | Cactus QN Ut 8 Well Name and No |
| Name of Operator Yates Drilling Company | | 9 API Well No |
| 3a. Address 105 S. 4th Str., Artesia, NM 88210 4. Location of Well (Footage, Sec., T., R., M., OR Survey Desc. | 3b Phone No (include area code) 505-748-8663 cription) | 30-005-20997 10 Field and Pool, or Exploratory Area SE Chaves QN Gas Area Assoc 11 County or Parish, State |
| | FEL Section 27-12S-31E X(ES) TO INDICATE NATURE OF NO | Chaves Co., NM |
| TYPE OF SUBMISSION | TYPE OF | |
| X Subsequent Report Casa Char Final Abandonment Notice Con | rr Casing Fracture Treat Ing Repair New Construction Inge Plans Well Plug and Abandon Plug Back | Production (Start/Resume) Reclamation Well Integrity Recomplete Other Temporarily Abandon Water Disposal |
| 13 Describe Proposed of Completed Operation (clearly state all pertine if the proposal is to deepen directionally or recomplete horizontally, | , give subsurface locations and measured and true vertical de | pths of all pertinent markers and zones |

following completion of the involved operations of the involved operation operation of the involved operation of the involved operation operation of the involved operation operation of the involved operation 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)

See Attachment.

APPROVED AS TO PLUGGING OF THIS WELL BORE. LIABILITY UNDER BOND IS RETAINED UNTIL SURFACE RESTORATION

| | | IS COMPLETED. | | |
|---|-----------------------|--|--|--|
| 14. I hereby certify that the foregoing is true and correct | | | | |
| Name (Printed/Typed) | | | | |
| Karen J. Leishman | Title | Operations Tech | | |
| Signature Karing Lushman | Date | 6/5/2009 | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | |
| Approved by /S/ DAVID R. GLASS | | Title PETROLEUM ENGINEER Date JUN 2 4 2009 | | |
| Conditions of approval, if any, are attached. Approval of this notice does not vicertify that the applicant holds legal or equitable title to those rights in the subwhich would entitle the applicant to conduct operations thereon. | | Office KZ | | |
| Title 18 U.S C. Section 1001 and Title 43 U.S C. Section 1212, make it a crime f | or any person kno | wingly and willbully to make to any department or agency of the United | | |
| States any false, fictitious or fraudulent statements or representations as to any r | matter within its jur | isdiction | | |

Yates Drilling Company Cactus Queen Unit #2 Unit J, Section 27-12S-31E Chaves County, NM 30-005-20997 Sundry attachment June 6, 2009

| 5/27/2009 | RU plugging unit. Notified Eddie Fitzpatrick, BLM, of plugging |
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| | operations. |
| 5/28/2009 | Attempted to unseat pump, pump was stuck. Pumped 90 bbls of |
| | fresh water and was able to unseat pump. |
| 5/29/2009 | Set CIBP at 2,950'. Circulated well with 45 bbls 10# mud. |
| | Pumped 25 sxs cement on top of CIBP. Pumped 25 sxs cement |
| | from 2,200' to 1,959'. Perforated at 1,400'. Attempted to pump |
| | into perfs, unable to, squeezed perfs off with 35 sxs cement |
| | from 1,400' to 1,258'. |
| 6/1/2009 | Tagged plug at 1,330'. Perforated at 480'. Attempted to circulate |
| | hole, could not. Pumped 30 sxs cement from 535' to 246'. |
| 6/2/2009 | Tagged plug at 266'. Perforated at 60'. Circulated 20 sxs cement out of 5 ½" annulus and 5 ½" casing. Cleaned location and erected |
| | dry hole marker. |