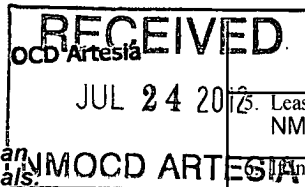


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Lease Serial No
NMNM0437523
Indian, Allottee or Tribe Name**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

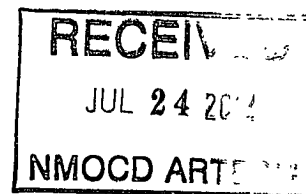
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator YATES PETROLEUM CORPORATION		8. Well Name and No. GRATEFUL BOD FEDERAL COM 2H
Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		9. API Well No 30-015-38518-00-X1
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T18S R29E SENE 1650FNL 330FEL		11. County or Parish, and State EDDY COUNTY, 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 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.)

4/26/12 - Drilled to KOP at 7439' and continued to drill directionally.
5/3/12 - Drilled to 8374' and reduced hole to 8-1/2" and continued to drill.
5/11/12 - Reached TD 8-1/2" hole to 12,247'.
5/14/12 - Set 5-1/2" 17# HCP-110 LT&C casing at 12,203'. DV tool/stage tool at 4968'. Hydraulic DV tool at 8117'. Openhole packers at 8171', 8231', 8346', 8461', 8619', 8778', 8937', 9097', 9257', 9416', 9574', 9732', 9890', 10,043', 10,202', 10,358', 10,513', 10,669', 10,828', 10,984', 11,140', 11,297', 11,455', 11,609', 11,763', 11,912', 12,025' and 12,075'. Frac ports at 8290', 8405', 8519', 8678', 8837', 8996', 9156', 9315', 9474', 9633', 9791', 9946', 10,102', 10,261', 10,416', 10,570', 10,728', 10,885', 11,042', 11,197', 11,356', 11,512', 11,665', 11,822', 11,970' and dual-external hydraulic frac port at 12,133'. Float collar at 12,194' and 12,201'. Cemented stage 1 with 460 sx Class "C" + 6% FL25 + 0.6% FL52 + 3#/sx LCM-1 + .15% R-21 + 2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63; wt 13.2). Tailed in with 280 sx Class "H" + 2%

Date 8/22/12
Accepted for record
NMOC D

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #139724 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 06/14/2012 (12KMS2306SE)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 06/05/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	JAMES A AMOS Title SUPERVISOR EPS	Date 07/22/2012
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 Carlsbad

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.

Additional data for EC transaction #139724 that would not fit on the form

32. Additional remarks, continued

Bentonite + 0.75% FL52 + 0.3% Sodium Metasilicate + 0.25% R3 (yld 1.26, wt 14.2). Cemented stage 2 with 220 sx Class "H" + 10% Bentonite + 0.5% FL25 + 0.15% R-21 (yld 2.51, wt 11.5). Tailed in with 100 sx Class "C" + 6% FL25 + 0.6% FL52 + 3#/sx LCM-1 + 0.5% R-21 + 2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63, wt 13.2).

5/16/12 - Rig released at 6:00 AM.