

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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.

5. Lease Serial No
NMNM342

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other: INJECTION

2. Name of Operator Contact: TINA HUERTA
 YATES PETROLEUM CORPORATION - Mail: tinah@yatespetroleum.com

3a. Address 3b. Phone No. (include area code)
 105 SOUTH FOURTH STREET Ph: 575-748-4168
 ARTESIA, NM 88210 Fx: 575-748-4585

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 10. Field and Pool, or Exploratory
 Sec 5 T20S R25E NWNW 660FNL 660FWL DAGGER DRAW

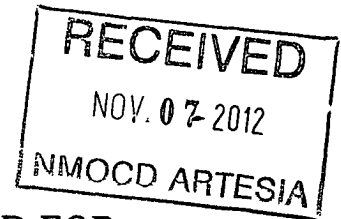
11. County or Parish, and State
 EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" type="checkbox"/> Other Workover Operations
	<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 recompleat 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 recompleat 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 perform a workover on this well as follows:
 1. MIRU. Inspect for possible leaks. Pressure up on annulus. If it holds, reschedule MIT and rig down. If it still does not hold, NU BOP. Release packer and TOH with tubing.
 2. Set an RBP at 9300'. Test RBP. Pressure up on casing above RBP.
 3. If casing does not test, move packer to isolate leak.
 4. Depending on the characteristics of the leak, a decision to run another patch or attempt to squeeze will be made. If leak is localized, consider running another patch. If leak is found to be over a long interval, other measures should be considered.
 NOTE: Well seemed to test OK prior to moving off rig, but would not pass MIT on 7/18/12.



SUBJECT TO LIKE APPROVAL BY STATE

Accepted for record SEE ATTACHED FOR CONDITIONS OF APPROVAL
 NMOCD-709/11/12

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #143891 verified by the BLM Well Information System
 For YATES PETROLEUM CORPORATION, sent to the Carlsbad
 Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/26/2012 (12BMW0412SE)

Name (Printed/Typed) TINA HUERTA Title REG REPORTING SUPERVISOR

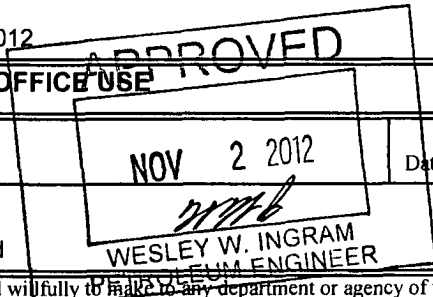
Signature (Electronic Submission) Date 07/25/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (BLM Approver Not Specified) Title Date 11/02/2012

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.

Conditions of Approval

Yates Petroleum Corporation

Monsanto Foster SWD 1

API 30-015-10340

T20S-R25E, Sec 05

November 2, 2012

- 1. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 10,100' or below to top of cement.**
2. Surface disturbance beyond the existing pad shall have prior approval.
3. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
4. Functional H₂S monitoring equipment shall be on location.
5. A 5000 (5M) BOPE to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 (attachment 1, 5M diagrams of choke manifold equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
6. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 7. If the proposed pressure test in step 1 is successful indicating a seal with the patch, the operator shall schedule an MIT. The pressure test shall be documented on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.**
- 8. At least 24 hours before the test: email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact notification method, time and date in your subsequent report.**
9. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.