

OPERATORS COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.*

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. NMNM89049
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-4272 Fx: 575-748-4585		8. Well Name and No. NUCLEUS BGN FEDERAL 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E SWSW 1750FNL 330FWL		9. API Well No. 30-015-39241-00-X1
		10. Field and Pool, or Exploratory WILCOAT Parkway, Bone Spring
		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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	Drilling Operations
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<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 recomple 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.)

4/23/14 - Drilled to 7,776 ft KOP and continued drilling directional.
4/25/14 - Drilled to 8,617 ft reduced hole to 8-1/2 inch and continued drilling.
4/30/14 - Reached TD 8-1/2 inch hole to 12,837 ft.
5/1/14 - Notified Terry with BLM of intent to run and cement 5-1/2 inch production casing at 10:00 am.
5/2/14 - Set 5-1/2 inch 17 lb P-110 BT&C casing at 12,832 ft. Stage tool at 6,131 ft and float collar at 12,783 ft. Cemented stage 1 with 410 sacks PVL + 0.125 lb/sx D130 + 5 percent D44 + 0.2 percent D46 + 4 percent D020 + 5 lb/sx D42 + 0.5 percent D201 + 0.3 percent D65 + 0.4 percent D167 (yld 2.00, wt 12.00). Tailed in with 1010 sacks PVL + 0.125 lb/sx D130 + 0.2 percent D46 + 4 percent D020 + 3 lb/sx D42 + 0.5 percent D201 + 0.2 percent D65 + 0.4 percent D167 (yld 1.38, wt 13.20). Circulated 83 sacks to surface. Cemented stage 2 with 660 sacks PVL + 0.125 lb/sx D130 + 5 percent D44 + 0.2 percent D46 + 1 percent D020 + 3 lb/sx D42 + 0.5 percent D201 + 0.4 percent D65

NM OIL CONSERVATION
ARTESIA DISTRICT

NOV 24 2015

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

Electronic Submission #245260 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/09/2014 (14CQ0286SE)

Name (Printed/Typed) LAURA WATTS

Title REG REPORTING TECHNICIAN

Signature (Electronic Submission)

Date 05/12/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

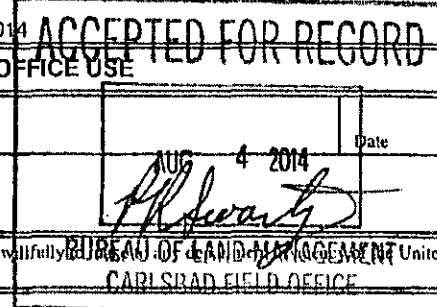
Title

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

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #245260 that would not fit on the form

32. Additional remarks, continued

+ 0.4 percent D167 (yld 1.96, wt 12.00). Tailed in with 100 sacks PVL + 0.125 lb/sx D130 + 0.2 percent D46 + 3 lb/sx D42 + 0.1 percent D13 + 0.1 percent D65 (yld 1.38, wt 13.20).
5/3/14 - Rig released at 12:00 am.