

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOCD-ARTESIA  
FEB 18 2009FORM 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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM100538
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA Mail: tinah@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	8. Well Name and No. BANZAI BKZ FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T25S R25E NENE 660FNL 990FEL		9. API Well No. 30-015-20346
		10. Field and Pool, or Exploratory WILDCAT; BARNETT SHALE
		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 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 recompleate 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.)

1/16/09 Began re-entry procedures.

1/18/09-1/25/09 Top plug at 25'. Began drilling through plugs. Notified Cheryl DeMontigny with BLM for BOP test on 1/18/09 and resumed operations on 1/20/09. Continued drilling on plugs. Tested casing 3 times, casing would not hold pressure. Circulated and cleaned up casing. TIH with casing packer to 1624'. Tested casing every 95' from 1624'-107'. Pressured up on casing to 1200 psi, OK. Drilled through plugs down to 1891'. Washed out original hole. Did not find cement plug at 3500'. There was no cement plug at 5050'-5150'. Tagged top of casing stub at 6274'. Washed over top of casing stub. Milled top of stub from 6274'-6277'. Picked up 6-1/2" bit and string mill. Milled off top of casing. Work bit and string mill inside of casing stub. Washed to bottom to 7192'. Tagged cement at 8044'. Drilled 4' and stopped.

1/26/09 Ran 156 jts 7-5/8" casing and set at 6277'. Tied 7-5/8" casing together as follows: 3 jts 29.7# P-110 LT&C (132.05'), 101 jts 26.4# P-110 LT&C (4352'), External casing packer at

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #67012 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad</b>		<b>EC</b>
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR	
Signature (Electronic Submission)	Date 02/05/2009	<b>ACCEPTED FOR RECORD</b> <b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b> <b>FOR RECORD</b> FEB 16 2009 <i>[Signature]</i>
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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		
CARLSBAD FIELD OFFICE		

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*****FOR RECORDS ONLY**

**Additional data for EC transaction #67012 that would not fit on the form**

**32. Additional remarks, continued**

4469.1',  
6 jts 26.4# P-110 LT&C (6179.6'), 33 jts 29.7# P-110 LT&C (4738.6'), Float collar at 6179.6', 2 jts  
29.7# P-110 LT&C (6181') and slip jt casing patch at 6274.5'. Cemented stage 1 with 250 sx  
35:65:6 Poz + 0.125#/sx D130 + 6% D20 + 2#/sx D42 + 1% S1 (yld 1.97, wt 12.6) and tailed in with  
200 sx Class "C" + 0.1% D13 (yld 1.34, wt 14.8). Opened DV tool and circulated. Circulated 35 sx  
to surface. Cemented 2nd stage with 150 sx LiteCrete + 0.125#/sx D130 + 0.4% D800 + 0.2% D46 + 1%  
D153 + 0.3% D65 (yld 2.64, wt 10.20) and 400 sx 15:61:11 "C" + 5.325#/sx D20 + 2#/sx D42 +  
0.125#/sx D130 + 27.65#/sx D132 + 61.1#/sx D903 + 0.888#/sx S001 (yld 1.97, wt 12.6). Tailed in  
with 200 sx Class "C" + 0.094#/sx D13 + 94#/sx D903 (yld 1.34, wt 14.8). Circulated 290 sx to  
surface. Drilled out cement, plug and packer. TIH to float collar. Drilled out cement, plug and  
float collar. Drilled cement plugs to 6425'. Circulated cement out of casing. Run CIT with BLM  
present for test. Paul Swartz gave the OK to test casing to 1000 psi for 1 hr. Cleaned out to  
bottom with 6-1/2" bit.