

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**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. NMNM28171
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: ALLISON BARTON E-Mail: abarton@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: 575-748-4385	8. Well Name and No. SPEAR OA FEDERAL COM 10
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T9S R26E SWSE 1230FSL 1800FEL		9. API Well No. 30-005-64123-00-X1
		10. Field and Pool, or Exploratory PRECAMBRIAN
		11. County or Parish, and State CHAVES 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.)

5/17/10 Spudded 26" conductor hole @ 1:40 p.m. Set 80' of 20" conductor. Cemented to surface w/Redi-mix. Notified Tony Tucker w/Roswell BLM of spud.  
7/12/10 Resumed drilling. Notified Tony Tucker w/Roswell BLM.  
7/13/10 TD 12-1/4" hole to 1005'. NU & test BOP. Set 8-5/8" 24# J-55 casing @ 1005'. Cemented w/500 sx CI "C" + 3.76% D020 + 0.188% D046 + 0.125% D130 + 94% D903 + 1.88% S001 (yld 1.97, wt 12.9). Tailed in w/200 sx CI "C" + 0.25% D130 + 94% D903 + 0.125% S001 (yld 1.34, wt 14.8). Cement circulated. WOC. Reduced hole to 7-7/8" & resumed drilling. Kevin Bussell w/BLM on location.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #90229 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Roswell Committed to AFMSS for processing by RUBEN SANCHEZ on 07/28/2010 (10RJS0760SE)</b>	
Name (Printed/Typed) ALLISON BARTON	Title REGULATORY COMPLIANCE TECH
Signature (Electronic Submission)	Date 07/26/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	DAVID R GLASS Title PETROLEUM ENGINEER	Date 08/09/2010
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 Roswell		

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**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 page 2.**

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a Address

105 S. 4th Str., Artesia, NM 88210

3b Phone No. (include area code)

575-748-1471

4 Location of Well (Footage, Sec., T., R., M., OR Survey Description)

1230'FSL & 1800'FEL of Section 5-T9S-R26E (Unit O, SWSE)

5 Lease Serial No

NM-28171

6. If Indian, Allottee or Tribe Name

NA

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

8 Well Name and No.

Spear OA Federal Com #10

9 API Well No.

30-005-64123

10. Field and Pool or Exploratory Area

Foor Ranch; Pre Permian

11. County or Parish, State

Chaves County, New Mexico

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

**TYPE OF SUBMISSION**

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

**TYPE OF ACTION**

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Completion

Operations

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

8/10/10 Tagged float collar at 6214'. Circulated hole and pickled tubing with 600g 15% NEFE.

8/11/10 Tested casing to 1500 psi for 30 min, held good. Perforated Silurian 5968'-5984' (64).

8/12/10 Acidized w/250g 20% NEFE. AS-1 packer with 2.25" on/off tool with kick off plug and 2-7/8" 6.5# J-55 tubing at 5890'.

**RECEIVED**  
**SEP 13 2010**  
**NMOCD ARTESIA**

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

*Tina Huerta*

Date August 27, 2010

**ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**/S/ DAVID R. GLASS**

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant owns legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

**ROSWELL FIELD 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.

(Instructions on page 2)

**PETROLEUM ENGINEER**

**Accepted for record**  
**NMOCD**

WELL NAME AND NUMBER Spear OA Federal Com #10 30-005-64123  
LOCATION Section 5, T9S, R26E, Unit O, 1230 FSL, 1800 FEL ✓  
OPERATOR Yates Petroleum Corp.  
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1/2° @ 485'		
1/4° @ 1005'		
1/4° @ 1472'		
3/4° @ 1973'		
1° @ 2480'		
1/2° @ 2953'		
1° @ 3498'		
1° @ 3927'		
1° @ 4471'		
3/4° @ 4436'		
1° @ 5407'		
1° @ 5913'		
1° @ 6257'		

Drilling Contractor- UNITED DRILLING, INC.

By: Luisa Noriega  
(Luisa Noriega)

Title: Assistant Office Manager

Subscribed and sworn to before me this 28<sup>th</sup> day of July, 2010.

Carlene Martin  
Notary Public

Chaves New Mexico  
County State

My Commission Expires: 10/8/12