

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBS OCD

DEC 17 2012

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM66927 |
| 2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA Mail: tinah@yatespetroleum.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T26S R34E NWSE 2310FSL 2310FEL | | 8. Well Name and No. DEAN APQ FEDERAL 1 / |
| | | 9. API Well No. 30-025-33656 / |
| | | 10. Field and Pool, or Exploratory HARDIN TANK; BONE SPRING |
| | | 11. County or Parish, and State LEA 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 recompleting 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.)

Yates Petroleum Corporation plans to perform a workover as follows:

1. MIRU WSU and NU BOP. RU all safety equipment as needed. POOH with tubing.
2. TIH with spear to pick up casing, release slips and POOH laying down 5-1/2" casing.
3. Dress off top of parted 5-1/2" casing at 8619'. Splice casing and run 5-1/2" 17# L-80 back to surface.
4. TIH with overshot and latch onto parted tubing and establish circulation.
5. TIH with freepoint to see how much of tubing is packed off and planted on the outside from fill falling in.
6. Make a decision to fish tubing and attempt re-completion or pump cement through tubing to plug either all the way out or to top of stub and then drill lateral.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #139705 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 06/12/2012 () | |
| 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 _____ | Title _____ |
| 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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

WELL NAME: Dean APQ Fed #1 FIELD: Hardin Tank Bone Spring

LOCATION: 2310' FSL & 2310' FEL Sec 3-26S-34E (unit J) Lea County

GL: 3,311' ZERO: KB:

SPUD DATE: 10/31/96 COMPLETION DATE: 12/25/96

COMMENTS: API No. 30-025-33656

CASING PROGRAM

| | |
|-----------------------------|---------|
| 11-3/4" 42# H40 STC | 1,000' |
| 8-5/8" 32# K55 | 5,177' |
| 5 1/2" 17# S-95 LT&C 1,283' | 12,858' |
| | |
| | |

Current

Fm. Tops:

Rustler : 880'
BOS : 5,068'
Delaware : 5,340'
Bone Springs : 9,478'

11-3/4" @ 1,000'
w/ 600 sx (Circ.)

8-5/8" @ 5,177'
w/ 2350 sx (Circ.)

Parted casing @ 8619', shifted over to the side

Top parted tubing @ 8705' (by tbg pulled and overshot tag) or 8847' by muleshoe tag.

TOC @ 8838' (CBL)

7 7/8" Hole

TAC @ 12,417'
SN @ 12,543'

3rd Bone Spring Sand: 12475'-12502' (4), 12507'-20' (30), 12525-49' (50), 12563-12620' (5), 12633-12706' (6)

5 1/2" @ 12,858' Cmt
w 625 sx

FC 12,817'
TD 12,858'

Not to Scale

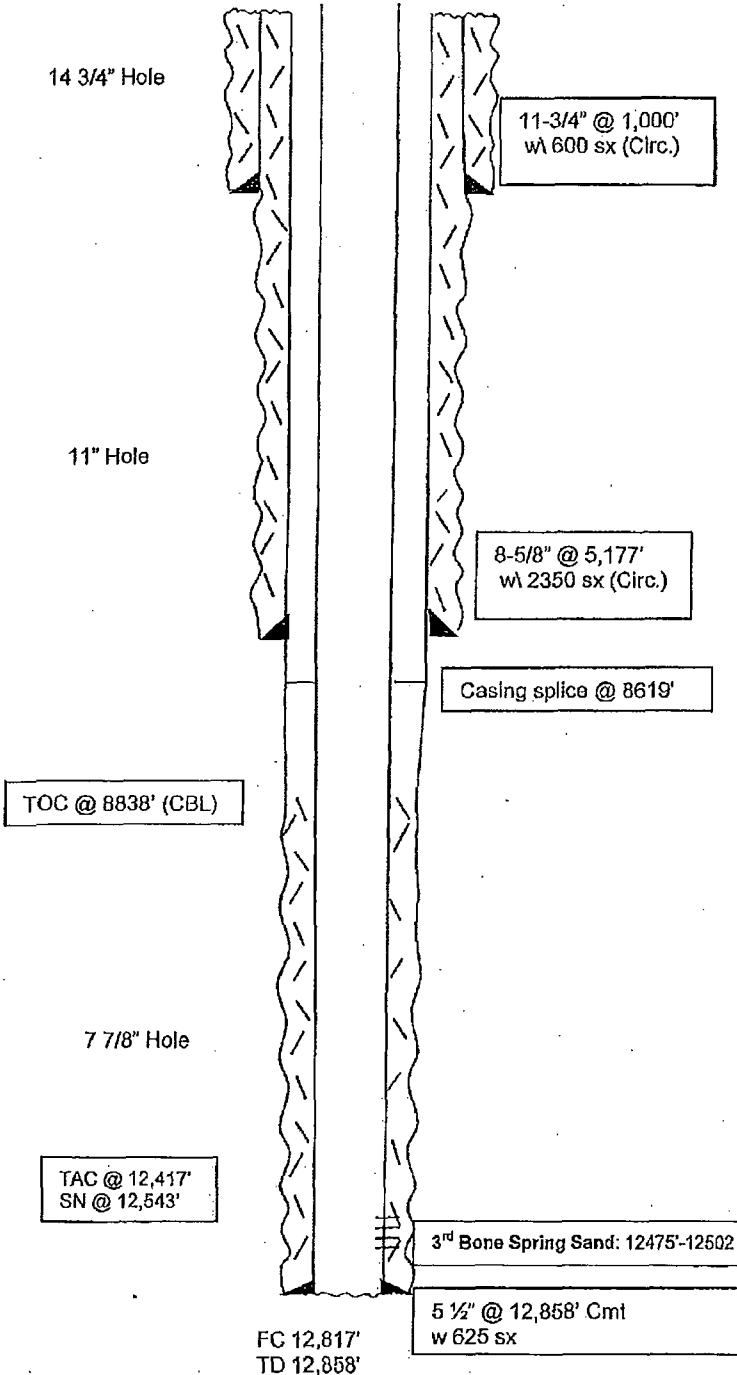
12/19/11
MMFH

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| | |

After



Fm. Tops:

| | |
|--------------|----------|
| Rustler | : 880' |
| BOS | : 5,068' |
| Delaware | : 5,340' |
| Bone Springs | : 9,478' |

Not to Scale
 12/20/11
 MMFH