

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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
☐ Oil Well ☐ ☒ Gas Well ☐ Other

2. Name of Operator **Yates Energy Corporation**

3a. Address
P. O. Box 2323

3b. Phone No. (include area code)
575-623-4935

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1780 FWL Sec. 17, T-18-S, R-29-E

5. Lease Serial No.
LC-063808

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
East Travis Com #1

9. API Well No.
30-015-23089

10. Field and Pool, or Exploratory Area
Emptre (Strawn)

11. County or Parish, State
Eddy, New Mexico

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recomplate 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.)

Field operations began June 14, 2011.

6/15/2011: Picked up 4.75 varel bit type L-2 1201219. Ran in hole with bit and 6 drill collars & 40 jts. tubing. Shut in and shut down.

6/16/2011: Tagged up at 10,371'. Drilled and washed to 10,388' (50' cement stringer). Drilled cement from 10,388' to 10,400'.

Drilled on CIBP at 10,400'. Shut in and shut down.

6/17/2011: Finish drilling and reversed out, end of pipe at 10,810'. POOH and rigged down bottom hole assembly, R1H with open ended Tubing.

6/20/2011: Continue in hole, end of pipe at 10,700.18'. Rigged up cementers, Pumped 10 barrels fresh water spacer, mixed and pumped 90 sacks Class "H" cement 15.6# cement and flushed to spot with 57 barrels fresh water. Set cement plug (813') and reversed out pump. Pulled 2 joints pipe, end of pipe at 9248.88'. Rig down cement equipment, nipple down BOP, nipped up tree. down and move off location. Kent Caffali observed setting the cement plug.

NOTE: Attached is a bid letter from BCM & Associates (they where awarded the bid July 14, 2011). The letter also states that it will be approximately 6 weeks before operations begin to plug and abandon the well.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheryl L. Jonas

Title **Agent for Yates Energy Corporation**

Signature

Sheryl L. Jonas

Date

7/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

JUL 18 2011

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)

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

RECEIVED
AUG 4 2011
NMOC D ARTESIA

8/4/2011

**Accepted for record
NMOC D**

BCM & ASSOCIATES, INC.
Plugging A Specialty
P. O. Box 13077
Odessa, TX. 79768-3077
432-580-7161 432-580-8554 fax

July 12, 2011

Yates Energy Corp.
c/o O'Briant & Associates, Inc.
PO Box 10487
Midland, TX 79702

Attn: **Sheryl Jonas**

Dear Sheryl:

BCM & Associates Inc. respectfully submits the following bid to turnkey plug and abandon, according to the rules of the regulatory authorities and the approved regulatory form, the following quote:

East Travis Com #1	<u>Turnkey</u> \$43830.00
--------------------	--

BCM could begin P & A operations in approximately 6 weeks.

Responsibilities:

	Contractor	Operator
INGRESS/EGRESS / Anchors		X
RIG	X	
BOP	X	
CASING JACKS		
CSG HANDLING TOOLS		
CSG TONGS		
H2O AND HAULING	X	
PACKER	X	
TBG. TONGS	X	
PUMP TRUCK/CEMENTER	X	
CIPB		
CICR / Packer	X	
CEMENT	X	
SALT GEL	X	
WELDER	X	
WIRELINER	X	
SUPERVISOR	X	
CASING CUT		

BCM & ASSOCIATES, INC.
Plugging A Specialty
P. O. Box 13077
Odessa, TX. 79768-3077
432-580-7161 432-580-8554 fax


FREE PT.		
PERFERATE	X	
BACKHOE	X	
SUBSISTANCE		
WORK STRING	X	
STEEL CIRC. TANK	X	
CLEANING & DISPOSAL OF TANK		X
Trucking	X	
Dry Hole Marker	X	
REVERSE RIG/PWR SWIVEL		X

BCM will dig and cover plugging pit and cut off well head, etc. (general cleanup).

If it becomes necessary to deviate from the recommended plugging procedure due to well bore conditions, known or unknown to operator or contractor, the work will be performed on a **cost plus basis** until conditions are restored to follow the procedure. **Abnormal conditions include, but are not limited to, load or kill the well or the inability to pull stuck rods or tubing, fishing, and re-spotting of plugs. Ingress and egress on lease roads are the sole responsibility of the operator unless otherwise agreed upon.**

Due to the market, BCM reserves the right to re-quote this bid after 60 days from the above date.

Best Regards


Ben C. Montgomery
President