

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.**5. Lease Serial No.  
NMNM31649

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
MELSON ZS FEDERAL 2H ✓2. Name of Operator  
YATES PETROLEUM CORPORATION  
Contact: TINA HUERTA  
Mail: tinah@yatespetroleum.com9. API Well No.  
30-015-38665-00-X1 ✓3a. Address  
105 SOUTH FOURTH STREET  
ARTESIA, NM 882103b. Phone No. (include area code)  
Ph: 575-748-4168  
Fx: 575-748-458510. Field and Pool, or Exploratory  
WILDCAT

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

Sec 8 T26S R30E SESE Lot P 330FSL 660FEL ✓

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 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 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 recompleation 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.)

7/25/11 - TD 8563' 8-3/4" pilot hole at 6:15 AM.

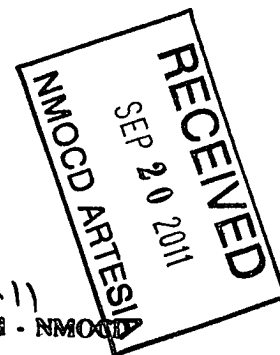
7/26/11 - Set an isolation plug at 8531' with 160 sx Class "H" cement + 0.1#/sx D080 + 0.06#/sx D177 + 94#/sx D909 (yld 0.94, wt 17.5). Circulated at 7619'. WOC.

7/27/11 - Circulated at 7620'. Cement KOP at 7620' with 360 sx Class "H" cement + 0.1#/sx D080 + 0.05#/sx D177 + 94#/sx D909 (yld 0.94, wt 17.5). WOC.

7/28/11 - Tagged cement plug at 7474', 157' below planned KOP. Circulated bottoms up. Pumped fresh water thru directional tools. Cemented KOP at 7474' with 265 sx Class "H" cement + 0.1g/sx D080 + 0.05g/sx D177 (yld 0.94, wt 17.5).

7/29/11 - WOC. Circulated at 6032'. WOC. Tagged cement plug at 6960'. Drilled cement and float equipment.

7/30/11 - Drilled cement plug at 7244'. Drilled cement plug to 7300'. Continued to drill directionally.



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

**Electronic Submission #116910 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by KURT SIMMONS on 09/06/2011 (11KMS2494SE)**

Name (Printed/Typed) TINA HUERTA

Title REG COMPLIANCE SUPERVISOR

Signature (Electronic Submission)

Date 09/06/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**Approved By **ACCEPTED**JAMES A AMOS  
Title SUPERVISOR EPS

Date 09/16/2011

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 Carlsbad

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 \*\***

## Additional data for EC transaction #116910 that would not fit on the form

### 32. Additional remarks, continued

8/2/11 - Drilled to 7940' and reduced hole to 8-1/2" and resumed drilling directionally.

8/5/11 - TD 8-1/2" hole to 12,190' at 11:30 AM.

8/10/11 - Set 5-1/2" 20# L-80 LT&C casing at 12,175'. NOTE: casing would not wash past 12,175'.

Stage packer at 4420'. DV/stage tool at 7101'. Crossover at 7146'. Float collar at 12,084'.

Cemented stage 1 with 150 sx 35:65:6 Poz "H" cement + 1.5% D112 + 0.125#/sx D130 + 28#/sx D132 + 0.02g D177 + 6% D20 + 5% D44 + 61#/sx D909 + 0.2% D46 + 3#/sx D42 + 0.2% D201 (yld 2.10, wt 12.6).

Tailed in with 970 sx Class "H" cement + 0.06g/sx D080 + 30% D151 + 0.1g/sx D177 + 0.05g/sx D206 +

1.5g/sx D600G + 94#/sx D909 (yld 1.37, wt 16.4). Opened DV tool and break circulation. Circulated

150 sx off DV tool. Cemented stage 2 with 360 sx 35:65:6 Poz "H" cement + 5% D044 + 0.2% D046 +

1.5% D112 + 0.125#/sx D130 + 21#/sx D132 + 68#/sx D909 + 6% D020 + 3#/sx D42 + 0.2% D201 (yld 2.10,

wt 12.6). Tailed in with 160 sx Class "H" cement + 94#/sx D909 + 0.2% D46 + 0.2% D201 + 0.2% D65 +

0.2% D167 (yld 1.07, wt 16.4). Did not circulate cement off stage tool. Cemented stage 3 with 183

sx 35:65:6 Poz "C" cement + 1% D112 + 0.125#/sx D130 + 28#/sx D132 + 6% D20 + 5% D44 + 61#/sx D903

+ 0.2% D46 + 3#/sx D42 + 0.1% D201 (yld 2.09). Tailed in with 100 sx Class "C" cement + 94#/sx

D903 + 0.2% D201 (yld 1.33). Calc TOC at 2800'.

8/12/11 Rig released at 9:00 PM.