

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Operator Copy

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.***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. NMNM81708
2. Name of Operator YATES PETROLEUM CORPORATION-Mail: tinah@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No. NMNM100192
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		8. Well Name and No. PALO VERDE AUV-FED COM-1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec-24 T20S R24E SWSW 760FSL 660FWL		9. API Well No. 30-015-26907-00-S2
		10. Field and Pool, or Exploratory CEMETARY, NORTH (GAS) 24-20-24
		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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input checked="" type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 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.)

3/14/12 - MIRU. Tested tubing to 500 psi, good.

3/15/12 - Notified Joe Salcido of intent to plugback well on 3/15/12 and called Terry Wilson with BLM on 3/16/12 to notify of intent to dump cement on CIBP and set new CIBP with cement. NU BOP. RIH with 5.71" GR/JB. Tagged up on CIBP at 7680'. Made 2 runs cement with dump bailer. WOC. Tagged at 7637'. TIH with CIBP to set over Wolfcamp perms according to procedure at 7543'. Also put 2 runs cement with dump bailer. Pumped 260 bbls fresh water but was not loading. Still have perms above at 6374'-6394' and 6470'-6476'. Mike Hill-YPC called BLM and talked to Paul Schwartz and got approval to set another CIBP at 6324'.

3/18/12 - TIH with 7" HM-CIBP to depth of 6327'. Loaded tubing and pressured up on tubing to set HM-CIBP. Pumped tubing volume 36 bbls, no pressure. Picked up on tubing to see if CIBP was set. it was not set. Worked tubing. Tied back on to tubing. Pumped tubing volume again, still did not set. Plug hung up in collar. Plug was sliding down hole, pulled bind into plug and pumped down.

**RECEIVED**

MAY 16 2012

NMO RECORD  
ACCEPTED FOR RECORD  
ARTESIA

APR 20 2012

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Electronic Submission #135547 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 04/19/2012 (12KMS16553E)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 04/16/2012

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

Approved By <b>ACCEPTED</b>	EDWARD FERNANDEZ Title PETROLEUM ENGINEER	Date 04/20/2012
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 #135547 that would not fit on the form**

**32. Additional remarks, continued**

tubing again. Still sliding down hole, pulled into plug again when something parted. POH with top half of CIBP, seems to be faulty plug but could also be bad casing. Called Terry Wilson-BLM and asked if we could move up 50' for total of 100' above perms and he said it would be ok.

3/19/12 - TIH with new 10K HM-CIBP to 6284'. Pumped 36 bbls. TP up to 500 psi and shifted setting sleeve. Pulled into CIBP 45K over string weight. Slacked off on tubing. Plug began sliding down hole. Pulled into it again and top pulled off plug just like last one. Faulty plugs. POOH with tubing. TIH with 7" alpha 10K CIBP and set at 6275'. Loaded casing with 192 bbls fresh water. Tested casing to 600 psi, good. Tagged CIBP at 6275'. Pumped 190 bbls mud gel with 10# brine. Pumped 145 sx Class "C" cement (yld 1.32, wt 14.8). Est TOC at 5385'. Displaced with 30 bbls mud gel.

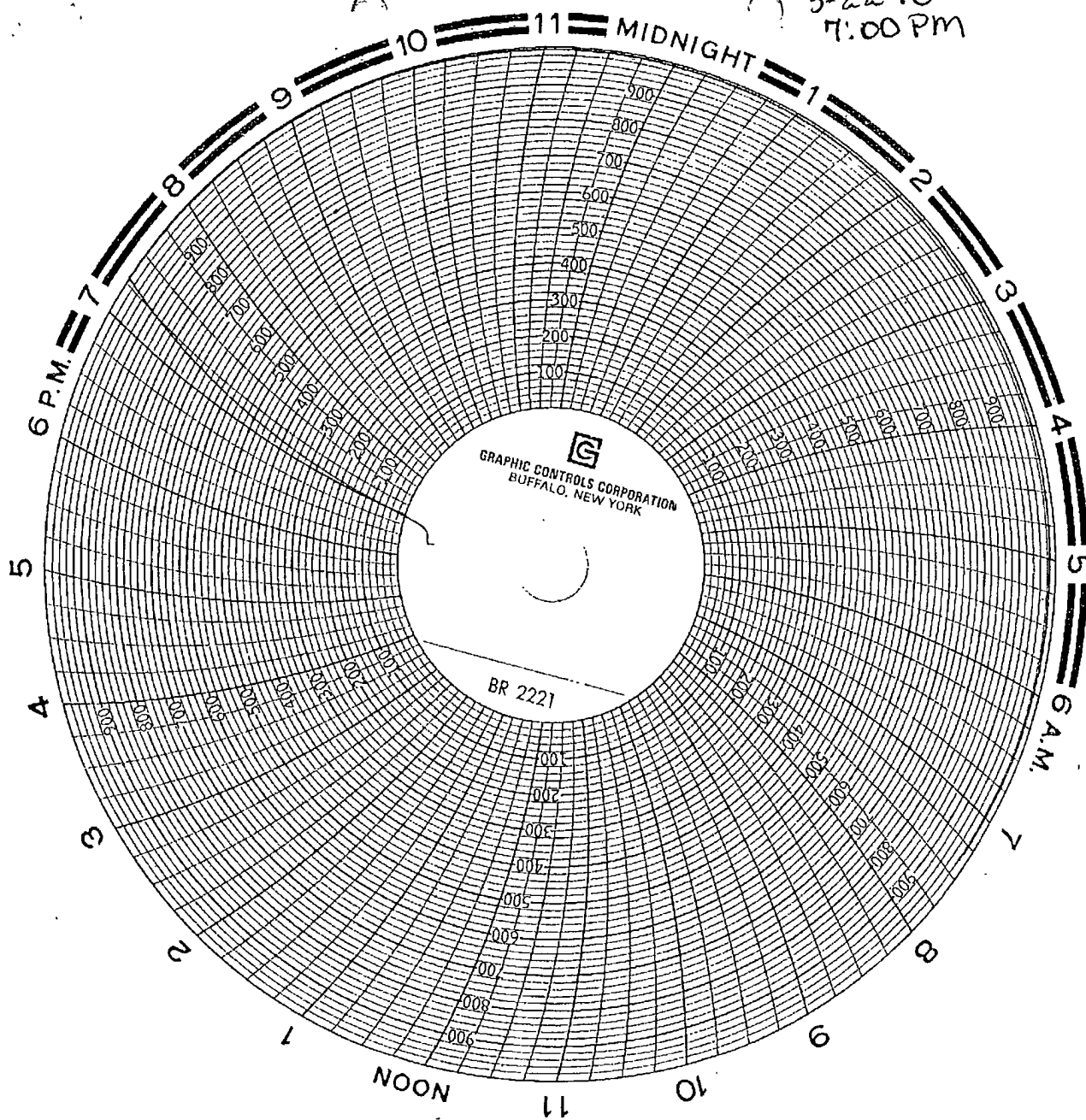
3/20/12 - Tagged TOC at 5346', good. Pumped 35 sx Class "C" cement (yld 1.32, wt 14.8) at 3826'. Est TOC at 3611'. WOC 2 hrs. Tagged TOC at 3594', good. Pumped 110 sx Class "C" cement (yld 1.32, wt 14.8) at 2801'. Displaced with 12 bbls. Est TOC at 2123'. WOC 2 hrs. Tagged TOC at 2048', good. ND BOP.

3/22/12 - Loaded casing with 2% KCL water. Took 5 bbls to load. Pressured casing to 2000 psi. Lost 30 psi in 20 min. Pressured casing to 1000 psi. Ran chart for 30 min and lost 20 psi. Copy of chart attached. Original chart mailed to NMOCD on 4/16/12. NOTE: Drilling rig will move in sometime in April, 2012.

**Revisions to Operator-Submitted EC Data for Sundry Notice #135547**

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Sundry Type:	PLUGBACK SR	PLUGBACK SR
Lease:	NMNM81708	NMNM81708
Agreement:	NMNM100192	NMNM100192 (NMNM100192)
Operator:	YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET ARTESIA, NM 88210 Ph: 575-748-1471	YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET ARTESIA, NM 88210 Ph: 575.748.1471
Admin Contact:	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com  Ph: 575-748-4168 Fx: 575-748-4585	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com  Ph: 575-748-4168 Fx: 575-748-4585
Tech Contact:	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com  Ph. 575-748-4168 Fx: 575-748-4585	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com  Ph: 575-748-4168 Fx: 575-748-4585
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	CEMETARY; WOLFCAMP, N	CEMETARY, NORTH (GAS)
Well/Facility:	PALO VERDE AJV FEDERAL COM 1H Sec 24 T20S R24E SWSW 760FSL 660FWL	PALO VERDE AJV FED COM 1 Sec 24 T20S R24E SWSW 760FSL 660FWL

3-22-10  
7:00 PM



Palo Verde ASV Fed Com #1

3-22-12

7:00 PM

Eve E. Withers  
Raymond Traverso

Select Energy

(Palo Verde ASU Fed Com #1)

(Back of chart)