

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. HANAGAN APL FEDERAL COM 2H
2. Name of Operator YATES PETROLEUM CORPORATION		9. API Well No. 30-015-39511-00-S1
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		10. Field and Pool, or Exploratory PARKWAY
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E NWSW 1600FSL 330FWL		

## 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"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recombine
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Production Start-up

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 recomple 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.)

4/23/12 - Tagged DV tool at 5298', drilled. Tested DV tool to 1000 psi, held good. Tagged cement at 8421'. Drilled cement from 8421'-8513'. Tagged DV tool. Circulated hole clean. Tested 5-1/2" casing from surface to 8513' to 2000 psi, held good.

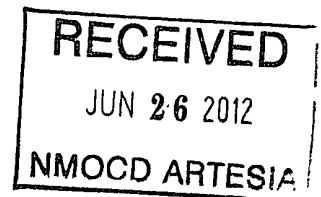
4/24/12 - Tagged at 8513'. Drilled DV tool at 8513'. Tested DV tool to 1000 psi, held good.

Tagged debris sub at 8516', drilled. Circulated hole clean. TIH with bit to a depth of 8725'. Circulated hole with 2% KCL.

4/25/12 - Ran CBL/GR/CC log from 8530' up to surface.

4/26/12 - Pressured up to 2500 psi on 5-1/2" casing, held good for 5 min. Pressured up to 4300 psi to open hydraulic port at 12,725'. Displaced 5-1/2" casing from surface to 12,725' with 2% KCL.

5/7/12 - Port 12,725' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2223 bbls fluid, 100,000# 20/40 WS, 17,000# 20/40 RCS. Port 12,551' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1951 bbls fluid, 100,000# 20/40 WS, 15,500# 20/40 RCS. Dropped 1.75" ball. Port 12,394' - spearhead



AR Doc 7/5/12  
copied for record

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #140902 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 06/20/2012 (12KMS2436SE)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 06/18/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	JAMES A AMOS Title SUPERVISOR EPS	Date 06/23/2012
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 #140902 that would not fit on the form

### 32. Additional remarks, continued

1000g 7-1/2% HCL acid, 20# borate XL, 1908 bbls fluid, 97,000# 20/40 WS, 20,000# 20/40 RCS. Dropped 1.875" ball. Port 12,234' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1894 bbls fluid, 98,000# 20/40 WS, 20,000# 20/40 RCS. Dropped 2" ball. Port 12,075' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1911 bbls fluid, 100,000# 20/40 WS, 22,500# 20/40 RCS. Dropped 2.125" ball. Port 11,918' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1877 bbls fluid, 98,000# 20/40 WS, 23,000# 20/40 RCS. Dropped 2.25" ball. Port 11,761' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2016 bbls fluid, 100,000# 20/40 WS, 23,500# 20/40 RCS. Dropped 2.375" ball. Port 11,607' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1947 bbls fluid, 100,000# 20/40 WS, 22,000# 20/40 RCS. Dropped 2.50 ball. Port 11,457' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1960 bbls fluid, 100,000# 20/40 WS, 22,000# 20/40 RCS. Dropped 2.625" ball. Port 11,303' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1999 bbls fluid, 99,000# 20/40 WS, 22,500# 20/40 RCS. Dropped 2.75" ball. Port 11,148' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2113 bbls fluid, 100,000# 20/40 WS, 22,500# 20/40 RCS. Dropped 2.875" ball. Spearhead 1000g 7-1/2% HCL, pumped acid away.

5/8/12 - Port 10,991' - 20# borate XL, 2095 bbls fluid, 100,000# 20/40 WS, 21,000# 20/40 RCS. Dropped 3" ball. Port 10,837' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2117 bbls fluid, 100,000# 20/40 WS, 23,000# 20/40 RCS. Dropped 3.125" ball. Port 10,682' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1901 bbls fluid, 99,000# WS, 22,000# 20/40 RCS. Dropped 3.25" ball. Port 10,528' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2094 bbls fluid, 100,000# 20/40 WS, 22,000# 20/40 RCS. Dropped 3.375" ball. Port 10,374' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1911 bbls fluid, 101,000# 20/40 WS, 21,000# 20/40 RCS. Dropped 3.50" ball. Port 10,219' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2007 bbls fluid, 100,000# 20/40 WS, 20,000# 20/40 RCS. Dropped 3.625" ball. Port - 10,065' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1878 bbls fluid, 100,000# 20/40 WS, 21,000# 20/40 RCS. Dropped 3.75" ball. Port 9911' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1937 bbls fluid, 100,000# 20/40 WS, 21,500# 20/40 RCS. Dropped 3.875" ball. Port 9756' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1935 bbls fluid, 99,000# 20/40 WS, 21,500# 20/40 RCS. Dropped 4" ball. Port 9602' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1938 bbls fluid, 99,000# 20/40 WS, 21,000# 20/40 RCS. Dropped 4.125" ball. Port 9447' - spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 1946 bbls fluid, 100,000# 20/40 WS, 23,000# 20/40 RCS. Dropped 4.25" ball.

CONTINUED ON NEXT PAGE:

Yates Petroleum Corporation  
Hanagan APL Federal #2H  
Section 31-T19S-R30E  
Eddy County, New Mexico  
Page 3

**Form 3160-5 continued:**

Dropped 4.25" ball. Port 9294' – spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2087 bbls fluid, 101,000# 20/40 WS, 23,000# 20/40 RCS. Dropped 4.375" ball. Port 9136' – spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2067 bbls fluid, 101,000# 20/40 WS, 21,000# 20/40 RCS. Dropped 4.50" ball. Port 8977' – spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2141 bbls fluid, 105,000# 20/40 WS, 25,000# 20/40 RCS. Dropped 4.625" ball. Port 8818' – spearhead 1000g 7-1/2% HCL acid, 20# borate XL, 2141 bbls fluid, 98,000# 20/40 WS, 21,000# 20/40 RCS.  
5/9/12-5/14/12 – Drilled out all ball and seat. Circulated down to PBTD at 12,720' and circulated clean. 2-7/8" 6.5# J-55 tubing at 7840'.

6/11/12 – Date of 1<sup>st</sup> production – Bone Spring

Final bottomhole location is 1955'FSL & 355'FEL (Unit I, NESE) of Section 31-T19S-R30E. Current wellbore schematic attached.

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Regulatory Reporting Supervisor  
June 18, 2012

WELL NAME: Hanagan "APL" Federal #2H FIELD: Hackberry  
 LOCATION: 1600' FSL & 330' FWL of Section 31-19S-30E BHL: 1955' FSL & 355' FEL Eddy Co., NM  
 GL: 3,324' ZERO:            KB: 3,342.5'  
 SPUD DATE: 3/05/12 COMPLETION DATE:             
 COMMENTS: API No.: 30-015-39511.

# CASING PROGRAM

20" 94# H-40	344'
13-3/8 48# J-55	1,726'
9-5/8" 36# K-55	3,522'
5-1/2" 17# P-110	12,795'

