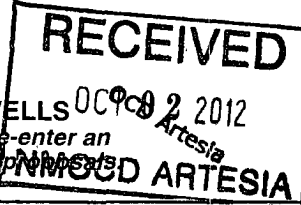


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 NMNM53219
2 Name of Operator YATES PETROLEUM CORPORATION		6 If Indian, Allottee or Tribe Name
Contact: TINA HUERTA Email: tinah@yatespetroleum.com		7 If Unit or CA/Agreement, Name and/or No
3a Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b Phone No (include area code) Ph: 575-748-4168 Fx: 575-748-4585	8 Well Name and No. WHITBREAD BFG FEDERAL COM 1
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T22S R24E SWNW 1980FNL 660FWL		9 API Well No. 30-015-33932-00-S1
SEE ATTACHED FOR CONDITIONS OF APPROVAL		10 Field and Pool, or Exploratory MCKITTRICK HILLS
		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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

Yates Petroleum Corporation plans to plugback and recompleate this well as follows:

1. MIRU all safety equipment as needed. NU 5K BOP. POOH with production equipment.
2. Run a 4-1/2" GR/JB to 10,070'. Set a CIBP at 10,060' and cap with 35' cement. Set a 45 sx Class "H" cement plug from 8400'-8850' across 4-1/2" liner top and up into the 7" casing. Run a 7" GR/JB to 7882'. Set a CIBP at 7872' and cap with 35 sx Class "C" cement. This will leave a plug from 7692'-7872' over Canyon perforations and across DV tool and the squeezed perforations at 7800'. Pressure test casing to 3000 psi and chart it for the BLM.
3. Perforate Bone Spring 7196'-7210'(15), 7244'-7248'(5), 7260'-7264'(5), 7320'-7328'(9), 7354'-7356'(3), 7392'-7394'(3), 7412'-7416'(5) and 7418'-7422'(5).
4. Acidize as needed. Swab test and evaluate, if the decision is made to frac POOH with the tubing and packer and frac down the casing using the following schedule (attached).
5. Shut the well in for 8 hrs to allow gel to break and the resin to cure. Flow the well back if

**WITNESS
PLUG BACK**
Accepted for record
NMOC D 10/2/2012
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct Electronic Submission #141545 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/11/2012 (12BMW0183SE)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 06/26/2012
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	Date
Office	WESLEY W. INGRAM PETROLEUM ENGINEER

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.

NMOC D: ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **
File C102

Additional data for EC transaction #141545 that would not fit on the form

32. Additional remarks, continued

it will flow. TIH with notched blade bit and tubing to 7522', to ensure there is no sand across the perforated interval. Pressure test casing to 3000 psi and chart it for the BLM.

6. Swab well until it cleans up, then TIH with pump and rods. Hang the well on and turn to production.

7. If this zone is not productive; POOH with all tools, loading the hole as necessary with 3% KCL water. Set a CIBP at 7146' and cap it with 35' cement. Load casing with 3% KCL water and perforate Bone Spring 5850'-5880'(31), 5888'-5892'(5), 5896'-5900'(5) and 5908'-5912'(5).

8. Acidize as needed. Swab test and evaluate, if the decision is made to frac POOH with tubing and packer and frac using the following schedule (attached).

9. Pull a CBL across the TOC at +/-5000'. Perforate 100' above the TOC, this should be at +/-4900'. Attempt to establish circulation up the 7" x 9-5/8" annulus. After circulation has been established set a retainer at 30' above the perforations. Squeeze with 250 sx Class "C" cement. WOC and drill out the retainer and test the casing to 1500 psi.

10. Allow gel to break and resin to cure. Flow well back if it will flow. Ensure there is no sand across the perforated interval. Pressure test casing to 3000 psi and chart it for the BLM.

11. TIH with production equipment and turn well over to production.

*See
attached
procedure
steps 6-11.*

Frac schedule and wellbore schematics attached

Whitbread BFG Federal Com No. 1

1,980' FNL & 660' FWL

Section 1, T22S, R24E

Eddy County New Mexico

API No. 30-015-33932

Morrow Completion Procedure

TUBING: 2.785" 6.53# L-80

burst 10,570 psi *80% = 8,456 psi

collapse - 11,160 psi *80% = 8,928 psi

CASING: 7" 26#, J-55 & L-80 (weakest casing in production string)

burst 4,360 psi *80% = 3,488 psi

collapse - 3,270 psi *80% = 2,616 psi

Executive Summary: Propose to abandon the current Morrow perforations with a CIBP. Then plug back to the Bone Springs sand test the 2nd and the 3rd BS sands. If testing warrants a frac with a borate x-linked gell and 200,000 of sand for each interval.

Notes: Current are 10,110' - 10,290' (208), Canyon perms 7,922' - 8,006' (85) squeezed with 800 sx and squeeze perms at 7,800' (4) w/ 700 sx of cement. TOC after squeeze was 5,000' by CBL.

1. MIRU WSU and all safety equipment necessary. NU 5K head with a full opening valve and BOP. POOH with production equipment visually inspect the tubing and replace any bad or worn joints.

2. RU WL to run a 4-1/2" gauge ring and junk basket run to 10,070'. WL set a CIBP at 10,060' and cap it with 35 foot of cement. POOH with WL. TIH with tubing to set a 45 sx Class H plug from 8,400' to 8,850' across the 4-1/2 liner top and up into the 7" casing. POOH. RU WL to run a 7" gauge ring and junk basket run to 7,882'. WL set a CIBP at 7,872' and cap it with 35 sx Class C of cement. This will leave a plug from 7,692 to 7,872 over the Canyon perforations and across the DV tool and the squeeze perforations at 7,800'. Pressure test the casing to 3,000 psi and chart it for the BLM.

3rd Bone Springs Sand Completion

3. RU WL and lubricator and correlate to Schlumberger open hole logs. Perforate in the following interval with 1 JSPF, 60 degree phasing and 0.42" deep penetrating charges.

7,196'-7,210' (15), 7,244'-7,248' (5),
7,260'-7,264' (5), 7,320'-7,328' (9), 7,354'-7,356' (3),
7,392'-7,394' (3), 7,412'-7,416' (5), 7,418'-7,422' (5)
50 shots total
Net Pay = 75'

4. TIH with 2.875" tubing and packer. Set the packer @ 6,946'. Acidize with 1,500 gal. Iron control 7.5% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load the annulus and monitor during the job. Drop 75 ball sealers spaced evenly throughout the acid. Flush to bottom perf. with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac POOH with the 2.875" tubing and packer and frac down the casing using the following schedule.

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant		Proppant Type
			Stage	Cumulative	
1	30000.	0.00	0.	0.	----
2	15000.	1.00	15000.	15000.	20/40 Ottawa
3	17500.	2.00	35000.	50000.	20/40 Ottawa
4	20000.	3.00	60000.	110000.	20/40 Ottawa
5	10000.	4.00	40000.	150000.	20/40 Ottawa
6	12500.	4.00	50000.	200000.	20/40 Super LC
7	+/-11877.	0.00	0.	0.	----

Estimated Surface Treating Pressure @ 50 BPM = 2,535 psig.
Maximum allowable pressure is 3,000 psig.

Fluid Specifications: A 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. Test the fluid with and without the Resin Activator. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

YPC to furnish: 6 clean frac tanks with 480 BBL of 3% KCL water in each.

Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

5. Shut the well in for 8 hours to allow the gel to break and the resin to cure. Flow the well back if it will flow; TIH with notched blade bit and 2.875" tubing to 7,522', to ensure there is no sand across the perforated interval. POOH. Set a RBP 100' above the perforations and pressure test the casing to 3,000 psi and chart it for the BLM.

6. TIH with TAC and 2.875" production tubing. Swab the well until it cleans up, then TIH with pump and rods. Hang the well on and turn the well over to the production department.

2nd Bone Springs Sand Completion

7. If the 3rd Bone Springs was not productive; POOH with all tools, loading the hole as necessary with 3% KCl water. MI RU WL with lubricator to set a CIBP at 7,146' and cap it with 35' of cement. Load the casing with 3% KCL water and then perforate the 2nd Bone Springs Sand in the following intervals with 1 JSPF, 60 degree phasing and 0.42" deep penetrating charges.

**5,850'-5,880' (31), 5,888'-5,892' (5),
5,896'-5,900' (5), 5,908'-5,912' (5)
46 shots total
Net Pay = 75'**

8. TIH with 2.875" tubing and packer. Set the packer @ 5,600'. Acidize with 1,500 gal. Iron control 7.5% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load the annulus and monitor during the job. Drop 55 ball sealers spaced evenly throughout the acid. Flush to bottom perf. with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac POOH with the 2.875" tubing and packer.

9. RU WL and lubricator and correlate to Schlumberger open hole logs. Pull a CBL across the TOC at +/- 5,000'. WL set a RBP between the top perf at 5,850' and the TOC and dump 2 sacks of sand on top of it then perforate 100' above the TOC, this should be at +/- 4,900'. Attempt to establish circulation up the 7" X 9-5/8" annulus, make sure all of the bradenhead valves are open. After circulation has been established set a retainer at 30' above the perforations. Sting into the retainer and squeeze with 250 sx of class 'C' cement. WOC. Drill out the retainer and test the casing to 1,500 psi.

10. TIH with a 7" treating packer and 3.5" 9.3# P-110 tubing to frac the 2nd Bone Springs sand. Set the packer at 5,200'. MI RU a tree saver and Frac Company to pump the following schedule at 38 BPM down the 3.5" frac string. Hold 1,000 psi on the 3.5" x 7" annulus during the frac treatment and monitor and record this pressure.

Treating Schedule					

Stage Number	gal	Prop Conc lb/gal	lbs Proppant		Proppant Type
			Stage	Cumulative	
1	30000.	0.00	0.	0.	-----
2	15000.	1.00	15000.	15000.	20/40 Ottawa
3	17500.	2.00	35000.	50000.	20/40 Ottawa
4	20000.	3.00	60000.	110000.	20/40 Ottawa
5	5000.	4.00	20000.	130000.	20/40 Ottawa
6	10000.	4.00	40000.	170000.	20/40 Super LC
7	+/- 2200.	0.00	0.	0.	-----

Estimated Surface Treating Pressure @ 38 BPM = 6,567 psig.
Maximum allowable pressure is 10,000 psig.

Fluid Specifications: A 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. Test the fluid with and without the Resin Activator. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

YPC to furnish: 5 clean frac tanks with 480 BBL of 3% KCL water in each.

Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

10. Shut the well in for 8 hours to allow the gel to break and the resin to cure. Flow the well back if it will flow; TIH with notched blade bit and 2.875" tubing to 6,100', to ensure there is no sand across the perforated interval. POOH. Set a RBP 100' above the perforations and pressure test the casing to 3,000 psi and chart it for the BLM.

11. TIH with TAC and 2.875" production tubing. Swab the well until it cleans up, then TIH with pump and rods. Hang the well on and turn the well over to the production department.

Area Engineer Mike Hill Date 9-28-12

Mike Hill

June 4, 2012 (Revised 9-28-12)

Mikeh\mydocuments\word\proposal\frac\Whitebread BFG Fed Com Nol BS 6-4-12.doc

WELL NAME: Whitbread BFG Federal Com No. 1

FIELD: Wildcat Upper Penn

LOCATION: 1,980' FNL & 660' FWL Sec 1-22S-24E

Eddy County

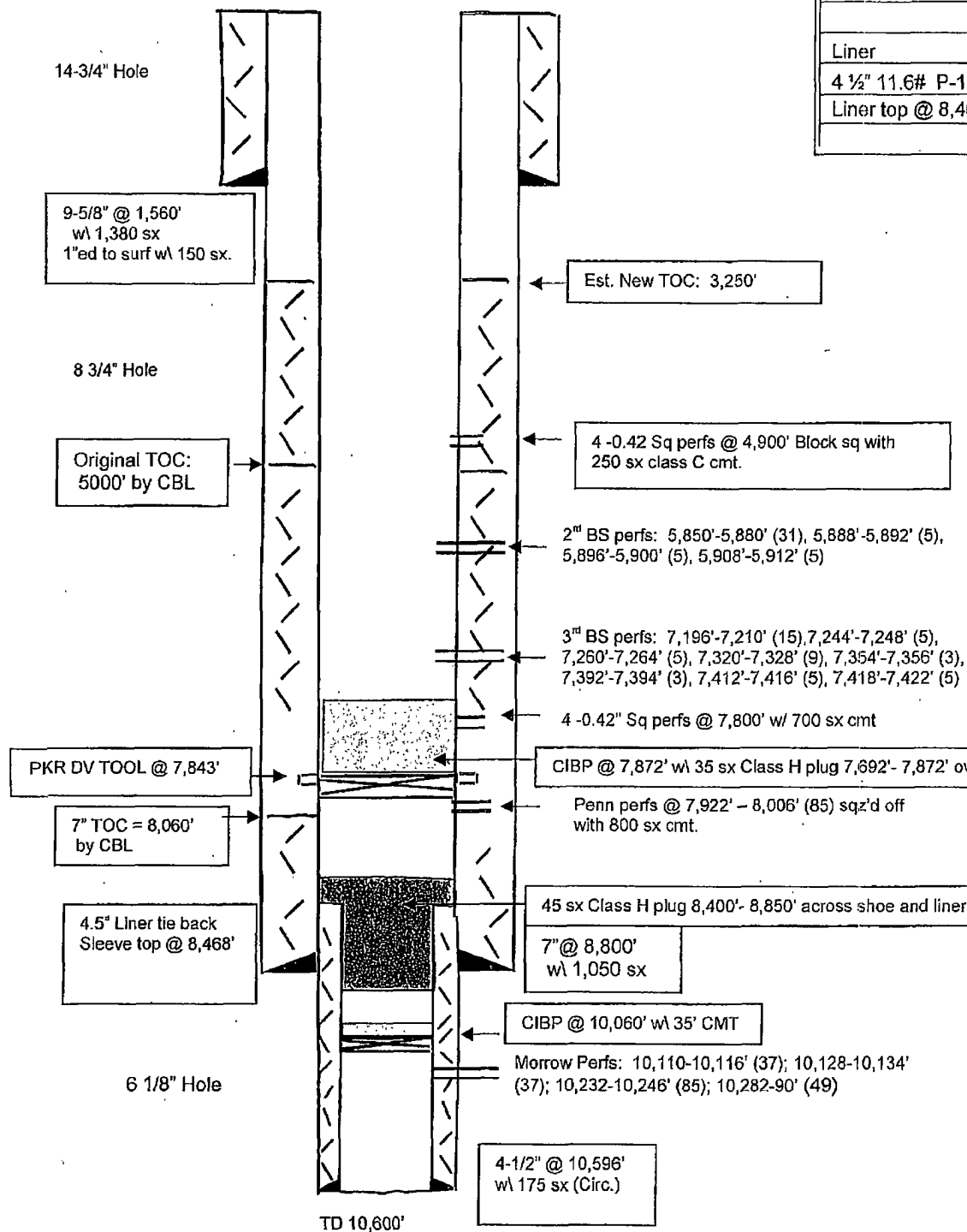
GL: 3,832' ZERO: KB: 3,850'

SPUD DATE: 03/22/05 COMPLETION DATE: 04/29/05

COMMENTS: API No. 30-015-33932

CASING PROGRAM

9-5/8" 36# J55 ST&C	1,560'
7" 26# J-55 LT&C	124.04'
7" 23# J-55 LT&C	7,949.32'
7" 26# L-80 LT&C	736.70'
Liner	
4 1/2" 11.6# P-110 LT&C	10,596'
Liner top @ 8,468'	



After

Tops

BS 3,370'
2nd BS 5,470'
3rd BS 7,050'
WC 7,434'
U. Penn 7,897'
Strawn 8,855'
Atoka 9,629'
Morrow 10,046'

6/4/12
JMH
Not to scale

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LOCATION: 1,980' FNL & 660' FWL Sec 1-22S-24E Eddy County
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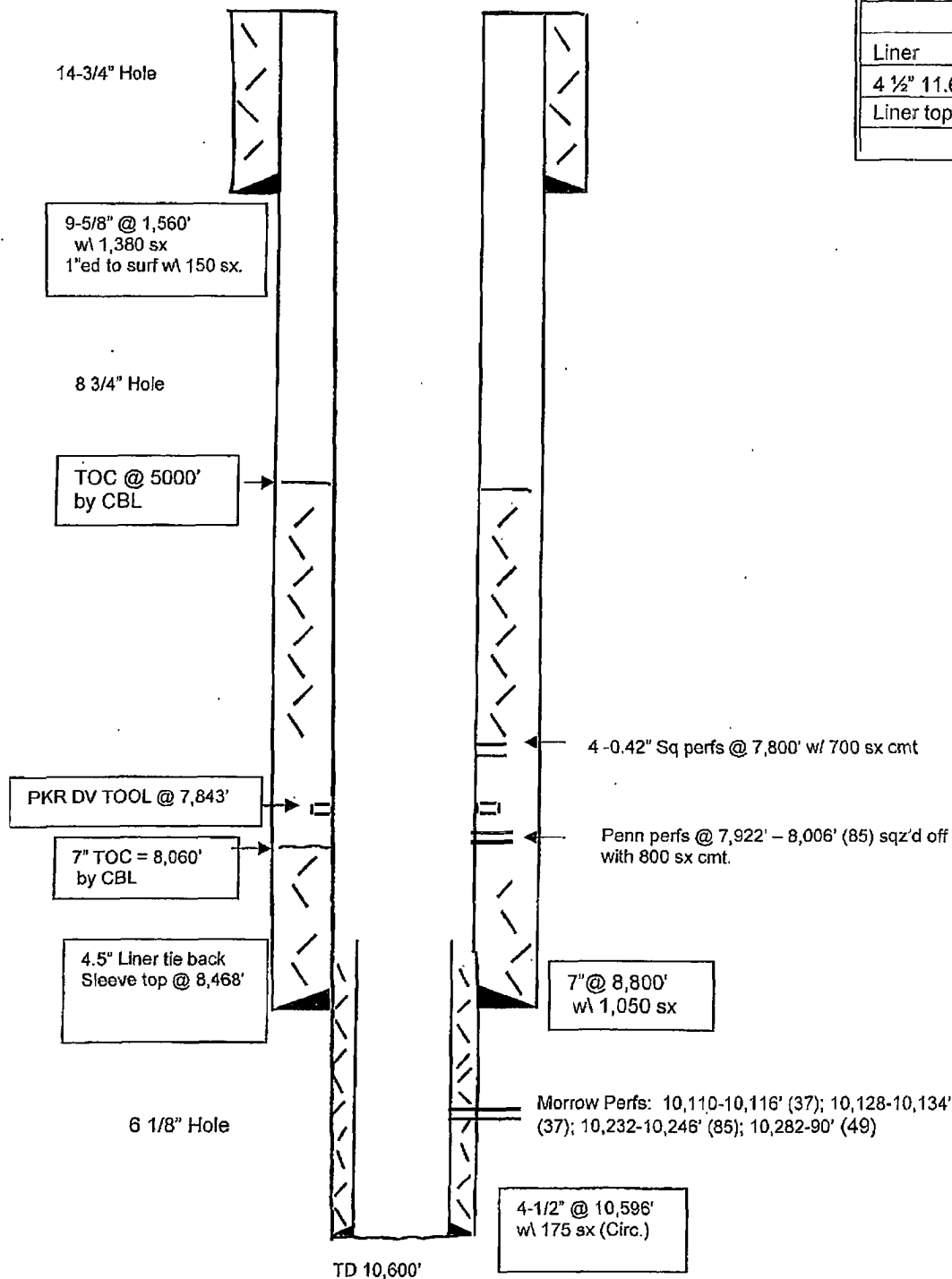
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6/4/12
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 Not to scale

Conditions of Approval

**Yates Petroleum Corporation
Whitbread BFG Com - 01
API 3001533932, T22S-R24E, Sec 01
September 28, 2012**

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of production in **paying quantities** or of service use.

Do one of the following:

A) Return the well to production or beneficial use on or before 12/20/2012.

B) Submit a plan for BLM plug and abandonment status approval of the well on or before 12/30/2012.

A detailed justification is necessary for extension of that date.

1. **The communization agreement for this well (NM112743) will be terminated.**
2. **Operator shall submit "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) for the Bone Spring formation prior to commencing work. This document shall be submitted with all Notices of Intent to recomplete.**
3. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record of the 4 ½" casing from 10,100' or below to top of liner. Also provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record of the 7" casing from top of liner to 1,000 or top of cement. Supply these documents before beginning this workover. The CBLs may be attached in an e-mail to pswartz@blm.gov.**
4. **Notify BLM 575-200-7902 before commencing plug back procedures. The procedures shall be witnessed. If no answer, leave a voice mail with the API#, workover purpose and a call back phone number. Note the contact, time, & date in your subsequent report.**
5. **Surface disturbance beyond the existing pad shall have prior approval.**
6. **A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.**
7. **Functional H₂S monitoring equipment shall be on location.**

8. A minimum of 3000 (3M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. Minimum 25 sack (class H > 7500ft & C < 7500ft) cement will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft³/sx, 5.2gal/sx water.
11. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
12. The BLM PET witness is to run tubing tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.
13. **Operator shall tag CIBP they set at 10,060' and place a 25 sack Class H cement plug on it instead of bailing 35' to properly cover the top of the Morrow.**
14. **Plug across 7" shoe and 4-1/2" liner top shall be tagged at 8,400' or shallower.**
15. **Instead of setting a CIBP at 7872', operator shall set a cement plug from 8,120' to 7,692'. Plug shall be tagged at 7,692' or shallower. This plug will overlap the CBL TOC of 8,060', cover the squeezed Canyon perforations (1,922' – 8,006'), the DV tool and the squeezed perforations at 7,800'.**
16. **Charted pressure test shall be for a minimum of 30 minutes and witnessed by a BLM PET. Pressure leakoff may require remediation prior to continuing the workover. Include a copy of the chart in the subsequent sundry for this workover.**
17. **Due to the close proximity to the Wolfcamp formation with the proposed bottom Third Bone Spring perforations, the operator shall tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. Results of the tracer to be reported on the workover subsequent sundry Form 3160-5.**
18. **Pressure test following the fracture treatment shall be for a minimum of 30 minutes and witnessed by a BLM PET.**
19. **If well is put on production from the Third Bone Spring sand completion, the remainder of this procedure is null and void.**

20. **Second Bone Spring sand completion – operator shall tag the bailed cement to verify the 35' cap.**
21. **Step 9 – operator shall run a CBL to determine the TOC after performing the squeeze.**
22. **Tagging the Second Bone Spring fracture treatment will not be required.**
23. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures. Include an updated wellbore diagram. File the subsequent sundry for the fracture treatment separately if it is delayed as much as 20 days.
24. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
25. Workover approval is good for 90 days (completion to be within 90 days of approval). A detailed justification is necessary for an extension of that date.

PRS/WWI 092912

Access information for use of Form 3160-5 “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.