

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOCD Hobbs  
**RECEIVED**FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** OCT 21 2010  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals. **HOBBSUCD**5 Lease Serial No  
NM-1046936 If Indian, Allottee or Tribe Name  
NA**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

## 1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other ☒

## 2 Name of Operator

Yates Petroleum Corporation

## 3a Address

105 S. 4th Str., Artesia, NM 88210

## 3b Phone No (include area code)

575-748-1471

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

Surface - 1980'FSL & 1980'FEL of Section 22-T22S-R33E (Unit J, NWSE) ☒  
BHL - 1980'FSL & 2310'FEL of Section 21-T22S-R33E (Unit J, NWSE)

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

NA

8 Well Name and No

Bargain BQA Federal #1H ☒

9 API Well No

30-025-33341 ☒

10 Field and Pool or Exploratory Area

Wildcat; Bone Spring ☒

11 County or Parish, State

Lea County, New Mexico ☒

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

## TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Re-entryOperations

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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

8/11/10 Began re-entry operations, drilling through cement plugs.

8/15/10 Drilled formation to 10,210'. NOTE: We deepened across the expiration date of 8/15/10 to extend lease.

8/17/10 TD 7-7/8" pilot hole to 10,500' at 1:00 PM.

8/18/10 Set a 200 sx Class "H" cement plug from 9900'-10,075'. Notified Bob Hoskins with BLM of cement plug. Circulated and WOC. Tagged at 9624'. Cement kickoff plug with 340 sx Class "H" from 8900'-9503'. TOOH slow to 8550'. Continued to drill directionally.

8/20/10 Tagged cement at 8750'. Drilled cement to 9030'. WOC 4 hrs. Dress cement to 9060'. Dress cement to 9083'. Continued to drill directionally.

9/11/10 Reached TD 7-7/8" hole to 15,010'.

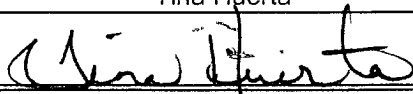
9/14/10 Set 5-1/2" 17# HCP-110 LT&amp;C casing at 14,995'. Cemented with 1280 sx PVL + 0.15#/sx D046 + 75,000#/sx D049 + 0.375#/sx D079 + 0.3#/sx D112 + 22,500#/sx D151 + 1500#/sx D174 + 0.6#/sx D800 (yld 1.83, wt 13). Tailed in with 625 sx 35:65:6 Poz "H" + 7100#/sx D020 + 0.177#/sx D046 + 0.355#/sx D112 + 27,650#/sx D132 + 61,100#/sx D909 (yld 2.00, wt 12.4).

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

Tina Huerta

Title Regulatory Compliance Supervisor

Signature



Date September 14, 2010

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.

PETROLEUM ENGINEER

Office

Date

OCT 18 2010

Is/ Dustin Winkler

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.