

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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DEC 06 2011

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		5. Lease Serial No. NMNM0437523
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA Mail: 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. GRATEFUL BOD FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T18S R29E NENE Lot A 786FNL 545FEL		9. API Well No 30-015-38990-00-X1
		10. Field and Pool, or Exploratory UNDESIGNATED
		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	Production Start-up
	<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 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 recompleat 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.)

8/29/11 - NU BOP.

8/30/11 - Tagged cement at 5075'. SF cementer at 6779'. Cleaned well out to 5296' and circulated clean.

8/31/11 - 9/5/11 - Drilled out cement to 6397' and circulated clean. Began drilling cement from 6397' and fell out of cement at SF cementer at 6779'. Circulated hole clean. TIH to 7412' and did not tag any more cement. Circulated hole again. TIH with CBL/CCL/GR tools to 8000'. Logged well to surface with 1500 psi on casing. Est TOC at 2650'. Pressure tested casing to 2516 psi for 5 min, dropped to 2514 psi. Pressured up to 3046 psi for 5 min, dropped to 3039 psi. Pressured up to 3550 psi for 5 min, dropped to 3546 psi, all held good. While coming up to 4000 psi, hydroport opened up at 3730 psi. Pumped 280 bbls 3% chemical treated KCL.

9/7/11 - Topped well back off with 3% KCL with treating chemical. ND BOP.

11/7/11 - Acidized port 11,385' with 1000g 7-1/2% HCL acid, frac with 250,776# sand, dropped 1.750"

Accepted for record
NMOCTOS
12/8/2011

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #124210 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 11/30/2011 (12DLM0244SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 11/28/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	(BLM Approver Not Specified)	Date 12/02/2011
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 #124210 that would not fit on the form

32. Additional remarks, continued

ball. Opened port 11,169' with 5264#, pumped 1000g 7-1/2% HCL acid, 117,787# sand, dropped 1.875"
ball. Opened port 11,012' with 4678#, pumped 1000g 7-1/2% HCL acid, 123,835# sand, dropped 2"
ball. Opened port 10,817' with 4386#, pumped 1000g 7-1/2% HCL acid, 121,300# sand, dropped 2.125"
ball. Opened port 10,618' with 4076#, pumped 1000g 7-1/2% HCL acid, 121,394# sand, dropped 2.25"
ball. Opened port 10,422' with 3995#, pumped 1000g 7-1/2% HCL acid, 120,987# sand, dropped 2.375"
ball. Opened port 10,226' with 4222#, pumped 1000g 7-1/2% HCL acid, 120,725# sand, dropped 2.5"
ball. Opened port 10,079' with 4756#, pumped 1000g 7-1/2% HCL acid, 116,296# sand, dropped 2.625"
ball. Opened port 9884' with 3933#, pumped 1000g 7-1/2% HCL acid, 116,480# sand, dropped 2.750"
ball. Opened port 9731' with 4184#, pumped 1000g 7-1/2% HCL acid, 121,510# sand, dropped 2.875"
ball. Opened port 9535' with 4316#, pumped 1000g 7-1/2% HCL acid, 117,859# sand, dropped 3" ball.
Opened port 9338' with 3690#, pumped 1000g 7-1/2% HCL acid, 117,301#, dropped 3.125" ball. Opened
port 9147' with 3965#, pumped 1000g 7-1/2% HCL acid, 118,100# sand, dropped 3.25" ball. Opened
port 8951' with 4264#, pumped acid away, pumped 1,353,160# 30/50, 331,650# 20/40 Super LC, 26,911
bbls water, dropped 3.375" ball.
11/8/11 - Opened port 8756' with 3539#, pumped 1000g 7-1/2% HCL acid, 123,181# sand, dropped 3.5"
ball. Opened port 8561' with 3359#, pumped 1000g 7-1/2% HCL acid, 119,386# sand, dropped 3.625"
ball. Opened port 8374' with 3281#, pumped 1000g 7-1/2% HCL acid, 96,707# sand, pumped 50 bbls
water, dropped 3.750" ball, pumped 27 bbls screened well out with 13,000# 20/40 Super LC in the
casing. Flowed well, unloaded 200 bbls, well stopped flowing, pumped 12 bbls. Well pressured up
to 7300#, flowed well and recovered 200 bbls, well unplugged. Opened port 8220' with 2774#, pumped
1000g 7-1/2% HCL acid, 116,702# sand, flushed well, dropped 3.875" ball, pumped 40 bbls. Opened
port 8062' with 4310#, pumped 1000g 7-1/2% HCL acid, 149,457# sand, pumped 4972g 7-1/2% HCL acid,
589,402# 30/50, 153,807# 20/40 Super LC.
11/9/11 - 11/10/11 - Rigged up and drilled out all seats down to 11,169'.

11/20/11 - Date of 1st production - Bone Spring

Final Bottomhole location is 732'FNL & 389'FWL(Unit D, NWNW)of Section 13-T18S-R29E