

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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.*

ocd Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No NMNM101582
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA/Agreement, Name and/or No.
Contact: TINA HUERTA Email: tinah@yatespetroleum.com		8. Well Name and No MUCHO LUCK BBW FEDERAL COM 2H
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	9. API Well No 30-015-39348-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T16S R27E SESE 1100FSL 330FEL		10. Field and Pool, or Exploratory EMPIRE
		11. County or Parish, and State EDDY COUNTY, NM

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

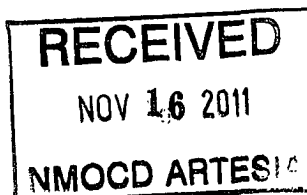
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

10/21/11 - Resumed drilling at 8:30 PM.

10/23/11 - TD 17-1/2" hole to 428' at 1:30 AM. Set 13-3/8" 48# J-55 8rd ST&C casing at 428'. Cemented with 500 sx Class "C" + 0.125#/sx D130 + 3#/sx D042 + 0.2% D046 (yld 1.34, wt 14.8). Cement did not circulate. Ran temperature survey and found TOC at 225'. Pumped 25 sx Class "C" cement + 2% S1 (yld 1.32, wt 14.8) with no returns. WOC. RIH with 1" and tagged at 66'. Pumped 25 sx Class "C" cement + 2% S1 (yld 1.32, wt 14.8) with returns but no cement to surface. WOC. RIH with 1" and tagged at 47'. Pumped 25 sx Class "C" cement + 2% S1 (yld 1.32, wt 14.8). Good returns. Circulated 5 sx cement to surface. WOC. Tested casing to 1200 psi for 30 min, Ok. WOC 39 hrs 30 min. Reduced hole to 12-1/4" and resumed drilling. NOTE: BLM Ok'd to run a cement bond log after we TD 12-1/4" hole and before we run 9-5/8" casing.

10/26/11 - TD 12-1/4" hole to 1543'. Set 9-5/8" 36# K-55 LT&C casing at 1543'. Cemented with 150 sx RFC + 10% D053 + 1% S1 (yld 1.61, wt 14.2) and 570 sx Class "C" + 3#/sx D042 + 0.125#/sx D130 +



Accepted for record  
NMOCD

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #122461 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/09/2011 (12KMS0278SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 11/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b>	JAMES A AMOS Title SUPERVISOR EPS	Date 11/11/2011
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

**Additional data for EC transaction #122461 that would not fit on the form**

**32. Additional remarks, continued**

2% S1 + 0.2% D46 + 4% D020 (yld 1.99, wt 12.9). Tailed in with 200 sx Class "C" + 0.2% D046 + 0.2% D201 (yld 1.33, wt 14.8). Circulated 280 sx to pit. NOTE: Cement fell back 20'. Notified BLM engineer, Wesley Ingram, at 6:00 PM 10/27/11. Ok to do redi-mix. Tested casing to 1500 psi for 30 min, Ok. WOC 38 hrs 15 min. Reduced hole to 8-3/4" and resumed drilling.