

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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
 Oil Well Gas Well Other

2 Name of Operator
Yeso Energy, Inc.

3a Address
P.O. Box 2248 Roswell, New Mexico 88202

3b Phone No (include area code)
575-622-7355

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1380' FSL & 990' FEL
 Sec 28-T23S-R29E**

AUG 27 2008
OCD-ARTESIA

5 Lease Serial No
NM-67103

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No.
Laguna Grande Fed #1

9 API Well No.
30-015-21636

10 Field and Pool, or Exploratory Area
Wildcat

11 County or Parish, 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 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 recomplete 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.)

7/28/2008 thru 8/7/2008.

MIRU Zia Well Service workover rig. SITP--2000 psi, SICP--2000 psi. Bleed off pressure and kill well with 10# Brine water. ND tree & NU 5M Hyd BOP. Test BOP to 4500 psi--OK. Attempt to release packer. Release packer and pull up hole 45' and hung up in casing. Work packer and tbg. POH with 2 3/8" tbg. Left packer and 30 jts tailpipe in hole. Fish for packer with no success. TIH w/ 7 5/8" packer. Set at 10,200' and establish injection rate of 3 bpm at 2000 psi. TOH w/ packer. RIH w/ 7 5/8" csg scraper testing tbg in hole. Lay down 3 bad joints. Make up 7 5/8" cement retainer on 2 3/8" tubing. TIH w/ cement retainer and set at 10,196'. MIRU Superior Well Services cement equipment. Squeeze Wolfcamp perforations in 5" liner at 11,182'--11,378', 5" liner, 5" liner top and packer w/ 30 jts tailpipe with 314.5 sx Class "H" + 0.2% CR1 + 0.4% AirOut. Yld--1.18 cu ft, Wt--15.6#/gal. Squeeze to 1400 psi. Sting out of cement retainer and leave 118 sx Class "H" + 0.2% CR1 + 0.4% AirOut (Yld--1.18 cu ft, Wt--15.6#/gal) on top of cement retainer inside 7 5/8" csg. Pull tubing to 8840'. Flush tubing w/ 15 bbls brine water. Pull up to 8400' and reverse tubing clean. POH w/ 2 3/8" tbg. Squeeze completed at 11:38 am 8/6/2008. WOC overnight. TIH with tubing and tag cement at 8647' by tubing tally. POH w/ tbg. Secure well. Shut in and secure well. Rig down and release Zia Well Service workover rig. Release all rental equipment. Clean location. Squeeze cementing and tagging cement plug witnessed by BLM Carlsbad Resource Office representative.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Gene Lee** Title **Oper Mgr**

Signature Date **08/09/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

AUG 24 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by _____ Title _____ Date _____

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 _____

Title 18 USC Section 1001 and Title 43 USC 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.

(Instructions on page 2)

FOR RECORDS ONLY