PECEIVED AUG 24 2010 **UNITED STATES** OCD-ARTESIA FORM APPROVED DEPARTMENT OF THE INTERIOR OMB No 1004-0137 NMOCD ARTERIA NOTICES AND REPORTS ON WELLS
abandoned Expires July 31, 2010 5 Lease Serial No LC-050429-B 6 If Indian, Allottee or Tribe Name 7 If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. Type of Well X Oil Well Gas Well Other 8 Well Name and No 2 Name of Operator Sand Tank APS Fed Com #2H Yates Petroleum Corporation 9 API Well No 3a Address 30-015-37167 3b Phone No. (include area code) 105 S. 4th Str., Artesia, NM 88210 10 Field and Pool or Exploratory Area 575-748-1471 4 Location of Well (Footage, Sec., T, R, M., OR Survey Description) Sand Tank; Bone Spring 11. County or Parish, State Surface - 460'FSL & 380'FEL of Section 12-T18S-R29E (Unit P. SESE) BHL - 660'FSL & 330'FWL of Section 12-T18S-R29E (Unit M, SWSW) Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Water Shut-Off Acidize Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Other Production Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Casing Final Abandonment Notice Convert to Injection 13 Describe Proposed of Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof 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 must 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 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 6/12/10 Reached TVD 8096'. Set cement kickoff plug from 7250'-7850'. WOC. Tagged cement at 7567'. TOOH to 7376'. Attempted to 6/13/10 circulate - plugged off. POOH back to 6805' to attempt circulation. Tagged cement at 7200'. Drilled cement plug from 7200'-7700'. 6/14/10 Set cement whipstock plug from 7700' back to estimated 6976'. WOC. Tagged TOC at 7000' KOP at 7370' 6/15/10 4 N-80 Per Operator 8/18/10 Dh.) and continued to drill directionally. 7/1/10 Reached TMD 7-7/8" hole to 12,203' at 12.30 PM. Set 5-1/2" 17# LT&C HCP-110 casing at 12,203'. Float collar at 12,162'. DV tool at 6575'. Cemented stage 7/4/10 1 with 800 sx PB Super "H" + 0.4% CFR-3 + 3#/bbl Gilsonite + 0.5% Halad4-344 + 0.3% HR-800 + 0.125#/bbl Poly-E-Flake (yld 1.59, wt 13.2). Circulated 174 sx. Cemented stage 2 with 400 sx Halliburton Lite Premium Plus SBM + 5#/sx Gilsonite + 0.3% Halad 322 (yld 1.86, wt 12.7). Tailed in with 100 sx Halliburton Lite Premium Plus "C" (yld 1.33, wt 14.8). Rig released at 6:00 AM 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor Title July 22, 2910 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE EPTED FOR RECORD Title Approved by AUG: 1.8 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 /s/ Dustin Winkler which would entitle the applicant to conduct operations thereon to Make to any denominator agency of the United States BUREAU OF LAND MANAGEMENT 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction (Instructions on page 2)