Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FORM APPROVED

SUNDRY NOTICES	REPORTS	ON WELL	

OMB No. 1004-0137 Expires July 31, 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.					6. If Indian, Allottee or Tribe Name			
	SUBMIT IN TRIP	PLICATE - Other inst	ructions on page 2.		7. If Unit or CA/Agr	eement, Name and/or No.		
1. 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.	7		
3a. Address	Str. Artagia NIM 85	3b. Phone No. <i>(include area code)</i> 88210 575-748-1471			30-015-37167			
105 S. 4th Str., Artesia, NM 88210 575-748-1471 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)					10. Field and Pool of Sand Tank; E			
Surface - 460'FSL & 380'FEL of Section 12-T18S-R29E (Unit P, SESE) BHL - 627'FSL & 4902'FEL of Section 12-T18S-R29E (Unit M, SWSW)					11. County or Parish, State Eddy County, New Mexico			
			NDICATE NATURE OF	NOTICE, RE	PORT, OR OT	HER DATA		
TYPE	OF SUBMISSION	TYPE OF ACTION						
		Acidize	Deepen	X Production (S	tart/Resume)	Water Shut-Off		
[Notice of Intent	Alter Casing	Fracture Treat	Reclamation	,	Well Integrity		
		Casing Repair	New Construction	Recomplete		X Other Completion		
X	Subsequent Report	Change Plans	Plug and Abandon	Temporarily A	Abandon	Operations		
I	Final Abandonment Notice	Convert to Injection	Plug Back	Water Dispos		Operations		
8/1/10 8/2/10 8/3/10 8/3/10 8/3/10 8/4/10 8/5/10	reen completed. Final Abandonmer hat the site is ready for final inspect Tagged DV tool at 65 Drilled 23' of cement. to 3000 psi, held good Tagged up at 11,571' Pickled tubing and ca Pressure tested casir Perforated Bone Spri Pumped 2994g 7-1/2 Spotted 1500g 7-1/29 (9), 11,433' (9), 11,28	at Notices must be filed only after a dion. 61' with 200 jts in + 1. Tagged DV tool at 6 d for 15 min. Cleaned Drilled cement down using with 1000g 15% up to 3000 psi, held go up 12,153' (9), 12,008 HCL acid. Total pr HCL acid at 11,577 B9' (9) and 11,145' (9)	5583'. Drilled out DV to d up DV tool and POO in to float collar at 12,1 HCL acid. Spotted 15 ood for 15 min. Estima 9' (9), 11,865' (9) and 2 rop 148,680# 20/40 Jo ''. Set flow thru plug at). Frac with a 30# bora	n, have been complete hool. Circulated H. 75'. Tested c 500g 15% NEI ated TOC at 2 11,721' (9). F rdan-Unimin, 11,597'. Per ate x-linked ge	d clean. Press asing to 2500 FE HCL at 12, 2358'. rac with a 30# 82,788# 20/40 forated Bone el. Pumped 29	sure tested casing psi, held good. ,163'. borate x-linked gel. Super LC. Spring 11,577' 995g 7-1/2% HCL.		
•	Total prop 149,393# 2	20/40 Jordan-Unimin,	, 83,003# 20/40 Super			HCL at 11,001'. ON NEXT PAGE:		
	ertify that the foregoing is true	and correct						
Signature	Tina Hu	uerte		mber 21, 2010	DOF TEL	TON RECORD		
Approved by			Title		Ø ate	<u> </u>		
Conditions of a certify that the	approval, if any, are attached. e applicant holds legal or equil ntitle the applicant to conduct o	table title to those rights in the	not warrant or		1 5 6	AND 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 to make to any person knowingly and willfully any person knowingly and will any person knowingly any person knowingly and will any person knowingly and will any p

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Yates Petroleum Corporation Sand Tank APS Federal Com #2H Section 12-T18S-R29E Eddy County, New Mexico Page 2

Form 3160-5 continued:

9/3/10 Set flow thru plug at 11,030'. Perforated Bone Spring 11,001' (9), 10,857' (9), 10,713' (9) and 10,569' (9). Frac with a 30# borate x-linked gel. Pumped 3003g 7-1/2% HCL. Total prop 148,787# 20/40 Jordan-Unimin, 82,876# 20/40 Super LC. Spotted 1500g 7-1/2% HCL at 10.425'. Set flow thru plug at 10,445'. Perforated Bone Spring 10,425' (9), 10,281' (9), 10,137' (9) and 9993' (9). Frac with a 30# borate x-linked gel. Pumped 3165g 7-1/2% HCL. Total prop 151,320# 20/40 Jordan-Unimin, 76,254# 20/40 Super LC. Spotted 1500g 7-1/2% HCL acid at 9849'. Set flow thru plug at 9869'. Perforated Bone Spring 9849' (9), 9705' (9), 9561' (9) and 9417' (9). Frac with a 30# borate x-linked gel. Pumped 3014q 7-1/2% HCL. Total prop 145,333# 20/40 Jordan-Unimin, 59,525# 20/40 Super LC. Spotted 1500g 7-1/2% HCL at 9273'. Set flow thru plug at 9293'. Perforated Bone Spring 9293' (9), 9129' (9), 8985' (9) and 8841' (9). Frac with a 30# borate x-linked gel. Pumped 3000g 7-1/2% HCL. Total prop 138,701# 20/40 Jordan-Unimin, 67,474# 20/40 Super LC. Spotted 1500g 7-1/2% HCL at 8697'. Set flow thru plug at 8717'. Perforated Bone Spring 8697' (9), 8553' (9), 8409' (9) and 8265' (9). Frac with a 30# borate x-linked gel. Pumped 3000g 7-1/2% HCL. Total prop 121,800# 20/40 Jordan-Unimin, 70,901# 20/40 Super LC.

Drilled out all flow through plugs. Circulated clean. 5-1/2" rotation packer and 2-7/8" 9/9/10 6.5# J-55 tubing at 7335'.

9/16/10 Date of 1st production - Bone Spring

Regulatory Compliance Supervisor

September 21, 2010