

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD 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.**

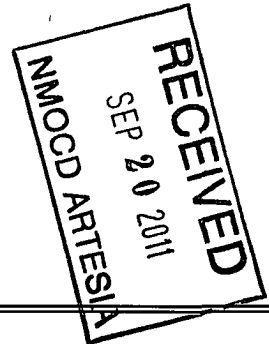
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM106909
2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA Mail: tinah@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T26S R28E NENE Lot A 480FNL 100FEL		8. Well Name and No. LECHUZA BQC FEDERAL 1H
		9. API Well No. 30-015-38522-00-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	Drilling Operations
	<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.)

8/16/11 - Resumed drilling at 5:30 PM. TD 17-1/2" hole to 385'.
8/17/11 - Set 13-3/8" 48# J-55 LT&C casing at 360'. NOTE: Received approval from Terry Wilson-BLM to set casing at 360'. Cemented with 440 sx Class "C" + 0.125#/sx D130 + 0.05g/sx D80 + 94#/sx D903 + 1% S1 + 0.2% D46 + 0.2% D65 (yld 1.34, wt 14.8). Circulated 84 sx to pit. Tested casing to 1200 psi for 30 min, good. WOC 28 hrs. Reduced hole to 12-1/4" and resumed drilling.
8/20/11 - TD 12-1/4" hole to 2664' at 2:30 PM. Set 9-5/8" 36# K-55 LT&C casing at 2664'. Cemented with 550 sx Class "C" + 4% D020 + 3#/sx D042 + 0.2% D046 + 0.125#/sx D130 + 2% S001 (yld 1.97, wt 12.9). Tailed in with 360 sx Class "C" + 3#/sx D042 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.2% D201 (yld 1.33, wt 14.8). Circulated 282 sx to pit. Tested casing to 1500 psi for 30 min, good. WOC 18 hrs. Reduced hole to 8-3/4" and resumed drilling.
8/26/11 - TD 8-3/4" pilot hole to 7500' at 12:30 PM.
8/27/11 - Cement isolation plug at 7480' with 105 sx Class "H" + 0.08g/sx D080 + 0.025g/sx D177.



14. Thereby certify that the foregoing is true and correct. Electronic Submission #117531 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 09/15/2011 (11TMM0007S)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 09/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 09/17/2011
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 #117531 that would not fit on the form

32. Additional remarks, continued

Calc TOC at 7300'. WOC.

8/28/11 - Tagged top of isolation plug at 7265'. Cement KOP at 6844' with 370 sx Class "H" + 0.08g/sx D080 + 0.025g/sx D177. Calc TOC at 6244'.

8/29/11 - Tagged up soft on cement at 6235'(stringer). Tagged up solid on cement plug at 6311'.

Drilled cement plug to 6540'. Cement soft and consistent. Continued to drill directionally.

9/2/11 - Drilled to 7301' and reduced hole to 8-1/2" and resumed drilling directionally.

9/7/11 - Reached TD 8-1/2" hole to 11,732' at 3:00 PM.

9/9/11 - Set 5-1/2" 20# L-80 LT&C casing at 11,720'. DV/stage tool at 5939'. Float collar at 11,632'. Cemented stage 1 with 200 sx 35:65 Poz "H" + 8% D020 + 2#/sx D042 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 0.3% D201 + 0.1% D208 (yld 2.11, wt 12.6). Tailed in with 1060 sx Class "H" + 0.06 GPS D080 + 28.2#/sx D151 + 0.1 GPS D177 + 0.05 GPS D206 + 1.5 GPS D600G (yld 1.37, wt 16.4). Circulated 80 sx off DV tool. Cemented stage 2 with 470 sx 35:65 Poz "H" + 8% D020 + 2#/sx D042 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 0.3% D201 + 0.1% D208 (yld 2.11, wt 12.6). Tailed in with 100 sx Class "C" + 0.2% D046 + 0.2% D201 (yld 1.33, wt 14.8). Circulated 106 sx to half round. Cemented stage 3 with 180 sx Class "C" + 0.2% D046 + 0.2% D201 (yld 1.33, wt 14.8). Calc TOC at 2100'.

9/11/11 - Rig released at 12:00 PM.