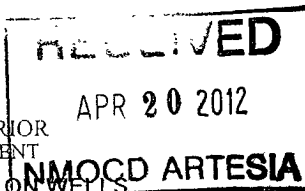


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



Sent to NMOC
12-21-11
2nd Copy 1-5-12

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 NMNM0487738
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	8. Well Name and No. FEDERAL AB 13H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 32 T. 18S. R. 25E SESW Lot N 330FSL 1650FWL		9. API Well No 30-015-37211-00-S1
		10. Field and Pool, or Exploratory PENASCO DRAW
		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.)

8/25/11 - Pressured up to 4300 psi. Opened frac port at 4211'. Pumped 130 bbls 3% KCL with Baker Petrolite CRW 132 at 6.5 BPM @ 1170 psi.
10/6/11 - Frac through port 4211' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady sand, dropped 2.750" ball. Frac through port 4037' with 10# linear gel, 40,500# 20/40 Brady sand, dropped 2.875" ball. Frac through port 3922' with 2357 bbls 10# linear gel and 40,500# 20/40 Brady sand, dropped 3" ball. Frac through port 3766' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady Sand, dropped 3.125" ball. Frac through port 3652' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady sand, dropped 3.125" ball. Frac through port 3493' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady sand, dropped 3.250" ball. Frac through port 3335' with 2357 bbls 10# linear gel and 40,500# 20/40 Brady sand, dropped 3.375" ball. Frac through port 3176' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady sand, dropped 3.500" ball. Frac through port 3062' with 2357 bbls 10# linear gel, 40,500# 20/40 Brady sand, dropped 3.625" ball. Frac through port 2904' with 2357 bbls 10# linear

Accepted for record
NMOC

14 I hereby certify that the foregoing is true and correct. Electronic Submission #121120 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION. sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 10/25/2011 (12KMS0156SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 10/24/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 10/28/2011
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 ****

CU 11/2/11 CS

Additional data for EC transaction #121120 that would not fit on the form

32. Additional remarks, continued

gel, 40,500# 20/40 Brady sand, dropped 3.750" ball. Overflush with 24 bbls, 15 min 852 psi. Total load to recover 22,649 bbls of fluid. Total sand pumped 397,000# 20/40 Brady.
10/9/11 - Drilled out ball and seat at 2904', 3062', 3176', 3335', 3493', 3652', 3766', 3922' and 4037'. Cleaned out to 4213'. Did not drill out hydraulic port.

10/16/11 - Date of 1st production - Yeso