

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION

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.***811 S. FIRST STREET
ARTESIA, NM 88210****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM29416
2. Name of Operator YATES PETROLEUM CORPORATION-Mail: scoll@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH 4TH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-1471		8. Well Name and No. MILNER FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T8S R25E NESE 1980FSL 660FEL		9. API Well No. 30-005-61137-00-S1
		10. Field and Pool, or Exploratory PECOS SLOPE-ABO
		11. County or Parish, and State CHAVES 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 checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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 recompleation 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.)

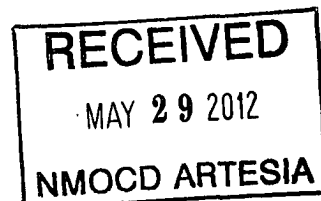
5-8-2012 MIRU, NU BOP, RIH to 3,788 feet, pump 60 bbls brine, did not load, pump 100 SX Class C Neat, small hole in 4-1/2 inch casing at surface, set pkr to isolate hole over night.

5-9-2012 Tag cement at 2,661 feet, RIH with tbg to 2,661 feet, circ well with 45 bbls MLF to surface, perf at 1,446 feet, set pkr at 914 feet, estimate rate and pumped 15 bbls in perfs and sqz'd 70 SX Class C cement from 1,446 feet to 1,023 feet, tag TOC, RIH to 392 feet with pkr, perf at 707 feet and sqz'd 25 SX Class C cement from 707 feet to 557 feet, calc TOC.

5-10-2012 Tag cement at 534 feet, perf at 60 feet, ND BOP, estimate rate and circ 5 bbls MLF to surface, sqz'd 25 SX from 60 feet to surface.

5-17-2012 Dig out cellar, cut off wellhead, install dry hole marker, fill cellar and dig up anchors.

WELL IS PLUGGED AND ABANDONED.



APPROVED AS TO PLUGGING OF THIS
WELL BORE. LIABILITY UNDER BOND
IS RETAINED UNTIL SURFACE RESTORATION
IS COMPLETED

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #138568 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Roswell Committed to AFMSS for processing by BEVERLY WEATHERFORD on 05/21/2012 (12DG0206SE)	
Name (Printed/Typed) SHARON COLL	Title REGULATORY REPORTING TECH
Signature (Electronic Submission)	Date 05/21/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS	Title PETROLEUM ENGINEER	Date 05/23/2012
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 Roswell

ROSWELL FIELD OFFICE

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.

APPROVED FOR 6 MONTH PERIOD
ENDING NOV 17 2012

Handwritten signature 5/30/2012

Accepted for record
NMOC D