

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD 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. NMNM107383
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact TINA HUERTA Email: 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. MARCEL BMM FEDERAL 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T16S R29E NENE 1090FNL 200FEL 32.962329 N Lat, 104.020267 W Lon		9. API Well No. 30-015-36845-00-S1
		10. Field and Pool, or Exploratory WILDCAT
		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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Deepen
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Production Start-up

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 recomplection 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.)

2/6/12 - NU BOP.

2/7/12 - Tagged at 7034'. Drilled DV tool at 7040'. Tested DV tool and casing to 1000 psi, held good. Tagged debris sub at 7070'. Circulated hole clean.

2/8/12 - Drilled debris sub in 1 hr. TIH with mill to a depth of 7600' and circulated hole clean.

Work string mill across DV tool at 7040' and debris sub at 7070'. Circulated hole clean.

2/9/12 - Ran CBL/GR/CC log from 7594' to surface. ND BOP. Pressured up on 5-1/2" casing from surface to 11,931' to 3000 psi for 30 min, held good. Pressured up to 4500 psi to open hydraulic opening port at 11,931'. Displaced 5-1/2" casing from surface to 11,931' with 2% KCL.

4/16/12 - Spearhead 6500g 20% HCL ahead of all frac stages. Frac port 11,931' with 20# borate XL, 3173 bbls fluid, 114,600# 30/50 Jordan sand. Frac port 11,757', dropped 1.875" ball, 3218 bbls fluid, 135,373# 30/50 Jordan. Frac port 11,554', dropped 2" ball, 3109 bbls fluid, 133,800# 30/50 Jordan. Frac port 11,307', dropped 2.125" ball, 3161 bbls fluid, 136,500# 30/50 Jordan. Frac port

*How long?***RECEIVED**

MAY 22 2012

NMOCD ARTESIA*Accepted 05/24/12*
Accepted for record**NMOCD**

14. Thereby certify that the foregoing is true and correct.	
Electronic Submission #137868 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/14/2012 (12KMS1944SE)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 05/14/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 05/20/2012
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 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.

Additional data for EC transaction #137868 that would not fit on the form

32. Additional remarks, continued

11,105', dropped 2.25" ball, 3121 bbls fluid, 137,200# 30/50 Jordan. Frac port 10,902', dropped 2.375" ball, 3107 bbls fluid, 137,000# 30/50 Jordan. Frac port 10,655', dropped 2.50" ball, 3063 bbls fluid, 134,000# 30/50 Jordan. Frac port 10,655', dropped 2.625" ball, 3037 bbls fluid, 131,300# 30/50 Jordan. Frac port 10,452', dropped 2.75" ball, 3073 bbls fluid, 135,500# 30/50 Jordan. Frac port 10,250', dropped 2.875" ball, pumped acid away.
4/17/12 - Frac port 10,012', 3122 bbls fluid, 132,500# 30/50 Jordan. Frac port 9810', dropped 3" ball, 3069 bbls fluid, 133,600# 30/50 Jordan. Frac port 9564', dropped 3.125" ball, 3075 bbls fluid, 136,400# 30/50 Jordan. Frac port 9362', dropped 3.25" ball, 3025 bbls fluid, 133,600# 30/50 Jordan. Frac port 9160', dropped 3.375" ball, 3067 bbls fluid, 135,600# 30/50 Jordan. Frac port 8923', dropped 3.50" ball, 3008 bbls fluid, 130,750# 30/50 Jordan. Frac port 8720', dropped 3.625" ball, 3074 bbls fluid, 134,296# 30/50 Jordan. Frac port 8474', dropped 3.75" ball, 3106 bbls fluid, 135,000# 30/50 Jordan. Frac port 8272', dropped 3.875" ball, pumped acid away through port.
4/18/12 - Frac port 8272', 3097 bbls fluid, 134,400# 30/50 Jordan. Frac port 8025', dropped 4" ball, 3039 bbls fluid, 130,100# 30/50 Jordan. Frac port 7823', dropped 4.125" ball, 3158 bbls fluid, 140,300# 30/50 Jordan.
4/19/12-4/24/12 - Drilled out balls and seats down to 11,751' and drilled seat out in 25 min. Circulated hole clean. 2-7/8" 6.5# L-80 tubing at 6868'.

5/6/12 - Date of 1st production - Wolfcamp

Final Bottomhole Location 344'FNL & 392'FWL of Section 1-T16S-R29E (Unit D, NWNW). Current wellbore schematic attached.