

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.*5. Lease Serial No.
NMNM81708

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

SUBMIT IN TRIPLICATE - Other instructions on reverse side.8. Well Name and No
PALO VERDE AJV FED COM 19. API Well No
30-015-26907-00-S310. Field and Pool, or Exploratory
UNKNOWN11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: TINA HUERTA

Mail: tinah@yatespetroleum.com

3a. Address

105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4168

Fx: 575-748-4585

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 24 T20S R24E SWSW 760FSL 660FWL

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.)

5/11/12 - NU BOP.

5/12/12 - Started washing down at 1900' and tagged at 2015'. Drilled cement to 2210'. Circulated and cleaned out hole. Located casing collar at 2163'. Ran GR and set a CIBP at 2159' and tagged. PU UBHO and whipstock. Scribe and orient whipstock. TIH with whipstock slow.

5/13/12 - Orient whipstock and shear set pin setting whipstock. Started cutting window with start mill 15" at 2146'.

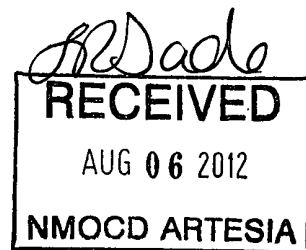
5/15/12 - Milled to bottom of window at 2154'. Drilled to 2158' and made 4' of new hole.

5/16/12 - Drilled to 2195' and circulated and condition mud. Continued drilling directionally.

5/27/12 - Reached TD 6-1/8" hole to 6880' at 10:30 PM.

5/29/12 - Set 4-1/2" 11.6# L-80 LT&C buttress casing at 6870'. Liner hanger packer at 2068'.

Openhole packers at 3107', 3285', 3464', 3679', 3892', 4108', 4323', 4538', 4755', 4970', 5186', 5401', 5616', 5833', 6051', 6267', 6484', 6699' and 6752'. Frac ports at 3198', 3376', 3554'.



14. I hereby certify that the foregoing is true and correct

Electronic Submission #142500 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/11/2012 (12BMW0244SE)

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature

(Electronic Submission)

Date 07/09/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

JAMES A AMOS
Title SUPERVISOR EPS

Date 07/23/2012

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 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 #142500 that would not fit on the form

32. Additional remarks, continued

3768', 3983', 4197', 4412', 4629', 4846', 5060', 5277', 5491', 5707', 5925', 6141', 6358', 6574' and Dual-External Hydraulic port at 6806'. Float collars at 6860' and 6868'. Displaced liner and annulus with 3% KCL water. Dropped balls. Started displacement. Pumped 100 bbls, did not hit.

5/31/12 - Rig released at 11:00 AM.

Wellbore schematic attached.

WELL NAME: Palo Verde AJV Fed Com # 1 FIELD: Cemetery Wolfcamp

LOCATION: 760' FSL & 660' FWL of Section 24-T20S-R24E Eddy Co., NM

GL: 3,639' ZERO: 16' KB: 3,655'

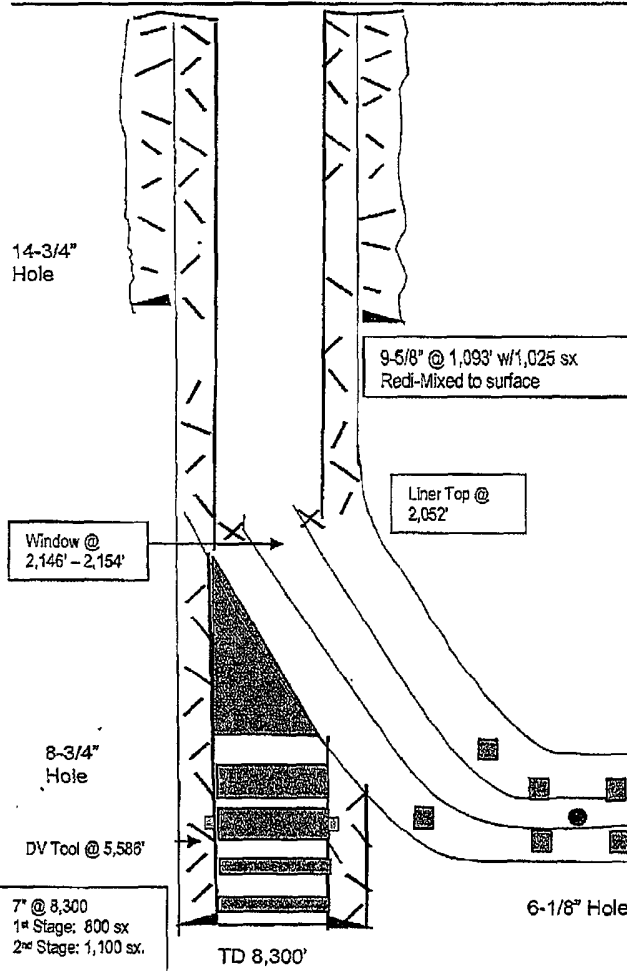
SPUD DATE: 2/20/92 COMPLETION DATE: 1/07/98

COMMENTS: API No.: 30-015-26907

Federal FC Com # 2H

CASING PROGRAM

9-5/8" 36# J-55	1,093'
7" 26# J-55 LT&C	1,172'
7" 23# J-55 LT&C	3,745'
7" 26# J-55 LT&C	2,632'
7" 26# N-80 LT&C	705'
4-1/2" 11.6# L-80	6,869'



Stage	Description	Actual MD	Stage	Description	Actual MD
	Guide shoe	6869		RSII Open hole Packer	4970
	Float Collar	6868	10	2.625" Drillable Frac port (10)	4846
	Float Collar	6860		RSII Open hole Packer	4755
	Toe Circulating Sub	6857	11	2.750" Drillable Frac port (11)	4629
1	DBH Frac port (1)	6806		RSII Open hole Packer	4536
	RSII Open hole Anchor Packer	6752	12	2.875" Drillable Frac port (12)	4412
	RSII Open hole Packer	6699		RSII Open hole Packer	4323
2	1.625" Drillable Frac port (2)	6574	13	3.000" Drillable Frac port (13)	4197
	RSII Open hole Packer	6484		RSII Open hole Packer	4108
3	1.750" Drillable Frac port (3)	6358	14	3.125" Drillable Frac port (14)	3983
	RSII Open hole Packer	6267		RSII Open hole Packer	3892
4	1.875" Drillable Frac port (4)	6141	15	3.250" Drillable Frac port (15)	3768
	RSII Open hole Packer	6051		RSII Open hole Packer	3679
5	2.000" Drillable Frac port (5)	5925	16	3.375" Drillable Frac port (16)	3554
	RSII Open hole Packer	5833		RSII Open hole Packer	3464
6	2.125" Drillable Frac port (6)	5707	17	3.500" Drillable Frac port (17)	3376
	RSII Open hole Packer	5616		RSII Open hole Packer	3285
7	2.250" Drillable Frac port (7)	5491	18	3.625" Drillable Frac port (18)	3198
	RSII Open hole Packer	5401		RSII Open hole Packer	3107
8	2.375" Drillable Frac port (8)	5277		SF HANGER PACKER	2068
	RSII Open hole Packer	5186		Anchor Seal Assembly	2063
9	2.500" Drillable Frac port (9)	5060		SF HANGER PACKER	2052

TD: 6,860'
TVD: 2,717'

4-1/2" Liner @ 6,869'
Top of liner at 2,052'

Not to Scale
6/05/12
JMH.