

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.**

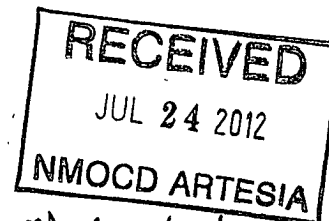
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. SLALOM BPZ FEDERAL 1H
2. Name of Operator YATES PETROLEUM CORPORATION-Mail: tinah@yatespetroleum.com		9. API Well No. 30-015-38541-00-X1
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T18S R29E NESE Lot 1 2130FSL 330FEL		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 recomplete 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 recompletion 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.)

6/5/12 - Drilled to 7390' KOP and continued to drill directionally.
6/10/12 - Drilled to 8311' and reduced hole to 8-1/2" and resumed drilling.
6/21/12 - TD 8-1/2" hole to 12,239'.
6/24/12 - Set 5-1/2" 17# HCP-110 LT&C, BT&C casing at 12,210'. DV tool/stage tool at 5015'. Hydraulic DV tool at 8105'. Openhole packers at 8158', 8218', 8373', 8483', 8638', 8794', 8950', 9107', 9263', 9416', 9573', 9729', 9885', 10,039', 10,195', 10,351', 10,507', 10,664', 10,819', 10,976', 11,132', 11,287', 11,444', 11,600', 11,756', 11,912', 12,025' and 12,083'. Frac ports at 8275', 8428', 8540', 8696', 8852', 9008', 9165', 9320', 9474', 9630', 9787', 9943', 10,097', 10,252', 10,409', 10,565', 10,721', 10,877', 11,034', 11,190', 11,345', 11,502', 11,658', 11,814', 11,970' and Dual-External Hydraulic port at 12,142'. Float collar at 12,201' and 12,208'. Displaced hole with kill truck. Hole full with 100 bbls displaced. Finish displacement from 12,210' back to hydraulic DV tool at 8105'. Dropped 2 - 1.375" balls to seat packers. Balls



14. I hereby certify that the foregoing is true and correct		NMOC D
Electronic Submission #142631 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 (12BMW0252SE)		
Name (Printed/Typed)	TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature	(Electronic Submission)	Date 07/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 07/22/2012
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 #142631 that would not fit on the form

32. Additional remarks, continued

landed with 215 bbls pumped. Dropped 2" SF-6 and allow 2 hrs to hit debris sub to open hydraulic DV tool. Cemented stage 1 with 275 sx 15:61:11 Class "C" + 3% FL25 + 0.6% FL52 + 3#/sx LCM-1 + 0.15% R-21 + 0.2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63, wt 13.2). Tailed in with 480 sx 50/05 Poz cement + 2% Bentonite + 0.75% FL52 + 0.3% Sodium Metasilicate + 0.25% R3 (yld 1.26, wt 14.2). Dropped bomb, opened DV tool. Circulated DV tool. Circulated 49 bbls, 168 sx off DV tool. Cemented stage 2 with 185 sx Class "H" + 10% Bentonite + 0.5% FL25 + 0.15% R-21 (yld 2.51, wt 11.5). Tailed in with 100 sx Class "C" + 0.6% FL25 + 0.6% FL52 + 3#/sx LCM-1 + 0.15% R-21 + 0.2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63, wt 13.2). Had full returns. Est TOC at 2800'. ND BOP.
6/25/12 - Rig released at 9:00 PM.