

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
OCD ArtesiaFORM 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.*MAY 21 2013
NMOCD ARTESIA**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. HASTIE AXH FEDERAL 1
2. Name of Operator YATES PETROLEUM CORPORATION		9. API Well No. 30-015-31622
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		10. Field and Pool, or Exploratory EMPIRE; WOLFCAMP
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T17S R28E NESE 1650FSL 660FEL		

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 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 type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input checked="" 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.)

Yates Petroleum Corporation plans to plugback and perforate a different interval in the current Wolfcamp zone as follows:

1. MIRU. NU BOP. TOH with tubing and packer.
2. Set an RBP at 6650 ft. Perforate Wolfcamp 6600-6622 ft.
3. Acidized with 3000g 15% NEFE HCL and 70 ball sealers. Flow and swab.
4. If frac is required, retrieve RBP. Set a packer at 6500 ft. Swab down.
5. Frac Wolfcamp down 3-1/2 inch tubing at 35 BPM with 56,700g of 20lb Borate x-linked gel and 70,000lbs 20/40 sand. Leave frac shut in while rigging down frac equipment. Flow frac back to remove all frac fluids and gels.
6. If well dies, TOH with tubing and packer. Run production string.
7. Turn well over to production.

**SUBJECT TO LIKE
APPROVAL BY STATE****SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record

NMOCD LRO code 5/24/13

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #203946 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 04/11/2013 ()	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 04/09/2013
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____
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 _____

APPROVED
MAY 17 2013
<i>[Signature]</i>
BUREAU OF LAND MANAGEMENT CARLSBAD 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

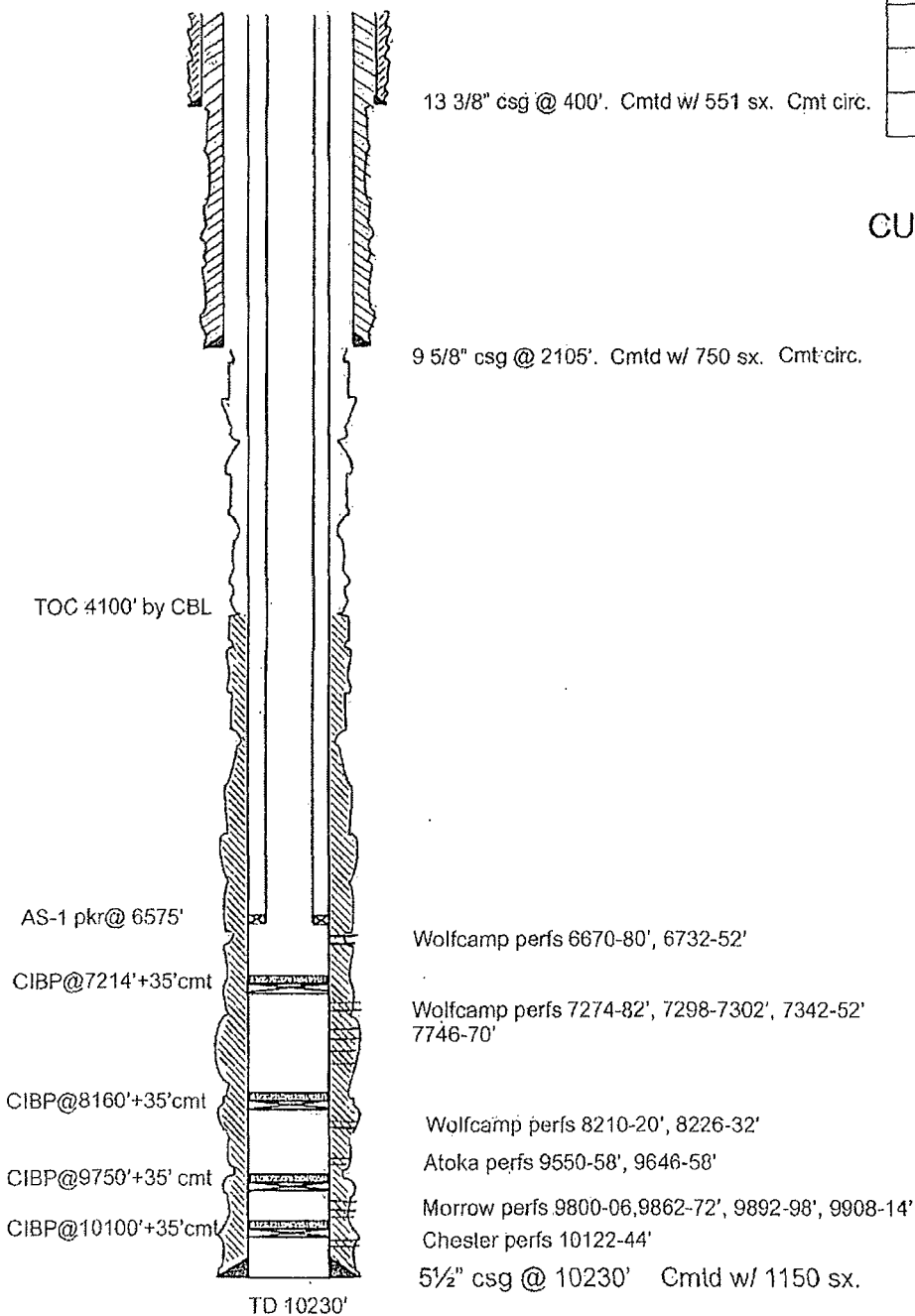
Additional data for EC transaction #203946 that would not fit on the form

32. Additional remarks, continued

Wellbore schematics attached.

Well Name: Hastie AXH Fed	No. 1	Field:
Location: 1650' FSL & 660' FEL Sec. 17-17S-28E, Eddy Co, NM		
GL: 3583'	Zero:	AGL: KB: 3601'
Spud Date:		Completion Date:
Comments:		

Casing Program	
Size/Wt/Grade/Conn	Depth
13 3/8" 48# H40	400'
9 5/8" 36# J55	2105'
5 1/2" & 17# J55 & P110	10230'

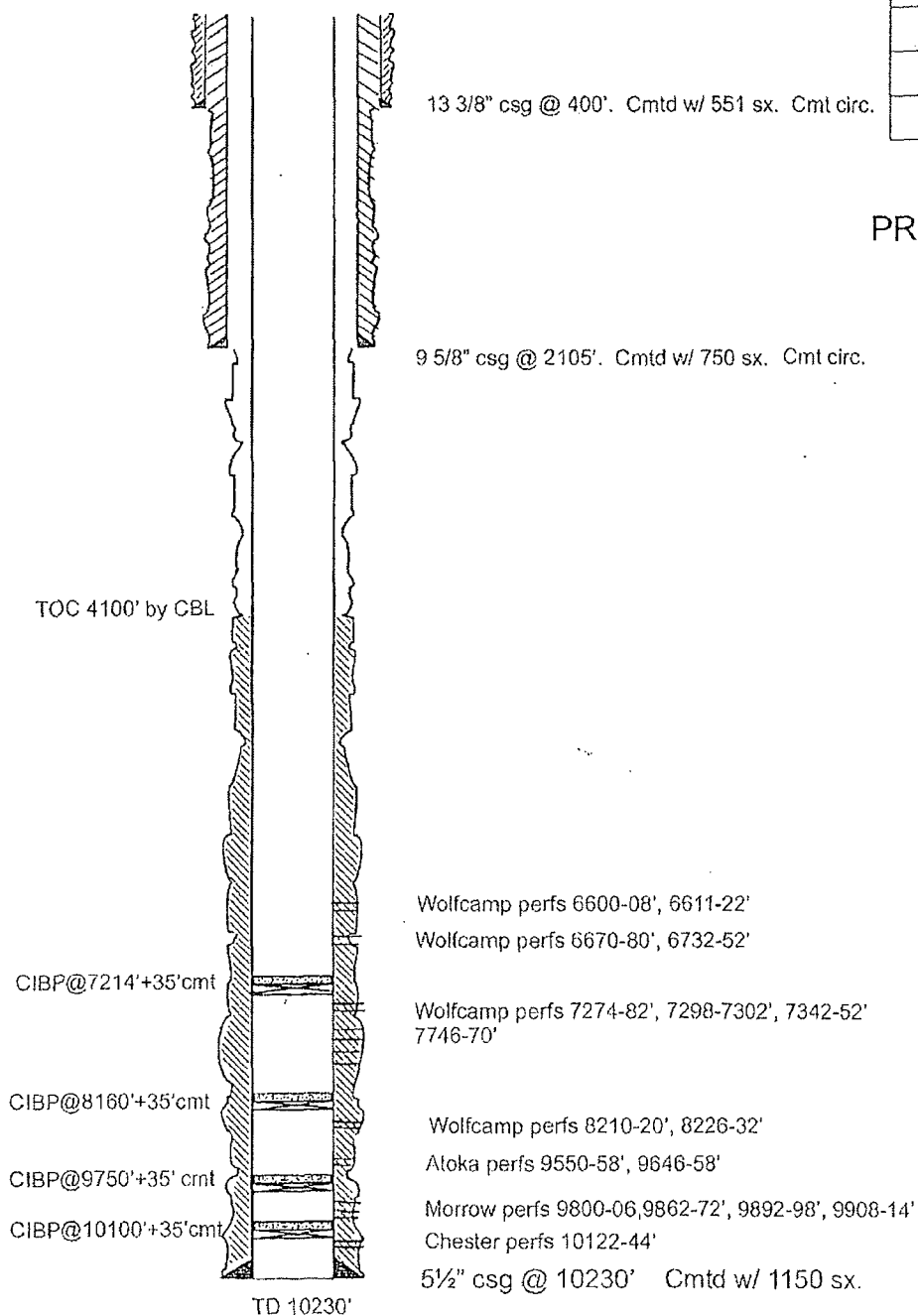


CURRENT CONFIGURATION

Date: 1/10/13 Hastie 1

Well Name: Hastie AXH Fed	No. 1	Field:
Location: 1650' FSL & 660' FEL Sec. 17-17S-28E, Eddy Co, NM		
GL: 3583'	Zero:	AGL: KB: 3601'
Spud Date:		Completion Date:
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Casing Program	
Size/Wt/Grade/Conn	Depth
13 3/8" 48# H40	400'
9 5/8" 36# J55	2105'
5 1/2" & 17# J55 & P110	10230'



PROPOSED CONFIGURATION

Date: 1/10/13 Hastie 1a

Hastie AXH Federal 1
30-015-31622
Yates Petroleum Corporation
May 17, 2013
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by August 17, 2013.

- 1. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM.**
- 2. A CIT is to be performed on the production casing per Onshore Oil and Gas Order 2.III.B.1.h.**
- 3. If CIT does not fail work is approved as proposed by operator.**
4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
5. Surface disturbance beyond the originally approved pad must have prior approval.
6. Closed loop system required.
7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. Operator to have H2S monitoring equipment on location.
9. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

- 10. Subsequent sundry required detailing work done and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**

JAM 051713