

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.**

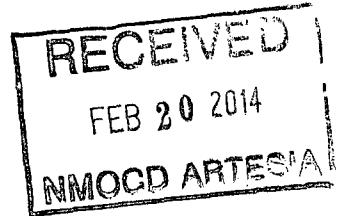
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM65417
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-4272 Fx: 575-748-4585		8. Well Name and No. MARTHA AIK FEDERAL 7H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T22S R31E SENE Lot H 1750FNL 200FEL		9. API Well No. 30-015-40051-00-X1
		10. Field and Pool, or Exploratory LIVINGSTON RIDGE
		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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input 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 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 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.)

10/29/13 - Moved in Rathole Service and spudded with Rat Hole at 10:35 am. Set 20 inch conductor at 40 ft. Cemented with 5.8 yds redi-mix and pea gravel to the surface.  
 11/6/13 - Moved in rotary tools. Notified Jim Hughes with BLM of rig up operations.  
 11/10/13 - Resumed drilling with rotary tools at 9:00 am. TD 17-1/2 inch hole to 729 ft. Notified Robert Girndt with BLM of casing and cement operations.  
 11/11/13 - NU BOP. Set 13-3/8 inch 48 lb H-40 ST&C casing at 729 ft. Cemented with 470 sks Class C + 2 lb/sx B288 + 2 lb/sx B289 + 1 percent D020 + 3 lb/sx D042 + 5 percent D044 + 0.2 percent D046 + 0.125 lb/sx D130 (yld 1.83, wt 13.5). Tailed in with 180 sks Class C + 3 lb/sx D042 + 0.2 percent D046 + 0.125 lb/sx D130 + 0.1 percent D201 (yld 1.34, wt 14.8). Circulated 240 sacks to the surface. WOC.  
 11/12/13 - Tested casing to 1500 psi for 30 mins. WOC 34 hours and 30 mins. Reduced hole to 12-1/4 inch and resumed drilling.



14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #229111 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 01/17/2014 (14JLD1770SE)</b>	
Name (Printed/Typed) LAURA WATTS	Title REG REPORTING TECHNICIAN
Signature (Electronic Submission)	Date 12/10/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	JAMES A AMOS Title SUPERVISOR EPS	Date 02/15/2014
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 #229111 that would not fit on the form**

**32. Additional remarks, continued**

11/17/13 - TD 12-1/4 inch hole to 4,406 ft. Set 9-5/8 inch 40 lb and 36 lb J-55 and HCK-55 LT&C casing at 4,406 ft. Cemented with 1260 sks 35:65:6 Poz C + 2 lb/sx B288 + 2 lb/sx B289 + 5 lb/sx D042 + 5 percent D044 + 0.3 percent D112 + 0.125 percent D130 + 0.2 percent D46 + 2 percent D020 (yld 2.00, wt 12.8). Tailed in with 180 sks 50/50 Poz C + 3 lb/sx D042 + 5 percent D044 + 0.2 percent D46 + 0.2 percent D65 (yld 1.36, wt 14.2). Circulated 154 sacks to pit. WOC.

11/18/13 - Nipped up (poured 8 yds redi-mix between 13-3/8 inch and 9-5/8 inch casing per BLM). Test casing 1500 psi, ok. WOC 49 hours and 30 mins. Reduced hole to 8-3/4 inch and resumed drilling.

11/20-23/13 - TD 8-3/4 inch hole to 7,431 ft. Set 7 inch 26 lb J-55 LT&C casing at 7,431 ft. DV tool/stage tools set at 4465 ft and 6770 ft. External casing packer set at 6772 ft. Cemented stage 1 with 160 sks PVLite + 4 lb/sx B288 + 0.4 percent D013 + 3 lb/sx D042 + 0.2 percent D046 + 75 lb D049 + 0.2 percent D065 + 0.13 lb/sx D130 + 0.6 percent D207 + 0.03 percent D208 (yld 1.43, wt 13.2). Cemented stage 2 with 180 sks PVLite + 0.35 percent D013 + 3 percent D020 + 5 lb/sx D042 + 5 percent D044 + 0.2 percent D046 + 75 lb D049 + 0.1 percent D065 + 0.13 lb/sx D130 + 0.04 gal/sx D177 (yld 1.97, wt 12). Tailed in with 100 sks 50/50 Poz C + 0.1 percent D013 + 5 percent D044 + 0.2 percent D046 + 0.1 percent D208 (yld 1.35, wt 14.2).

CONTINUED ON ATTACHED SHEET

Martha Aik Federal 7H  
Section 11-T22S-R31E  
Eddy County, New Mexico  
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Cemented stage 3 with 425 sks PVLite + 0.35 percent D013 + 3 percent D020 + 5 lb/sx D042 + 5 percent D044 + 0.2 percent D046 + 75 lb D049 + 0.1 percent D065 + 0.13 lb/sx D130 (yld 1.967, wt 12). Tailed in with 100 sks 50/50 Poz C + 3 lb/sx D042 + 5 percent D044 + 0.2 percent D208 (yld 1.36, wt 14.2).

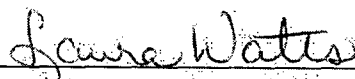
Circulated 57 sacks to pit. WOC. Tested 7 inch casing to 1500 psi.

11/24/13 – Drilled cement and 1<sup>st</sup> DV tool from 4,432 ft to 4,470 ft. Circulated bottoms up at 4,470 ft. Tested 7 inch casing at 4,470 ft. Starting pressure 1515 ending pressure 1440. Good test. Drilled cement and 2<sup>nd</sup> DV tool from 6,761 ft to 6,798 ft. Circulated bottoms up at 6,798 ft. Tested 7 inch casing at 6,798 ft. Starting pressure 1580, ending pressure 1511. Good test. Tagged cement. Drilled cement and float collar from 7,282 ft to 7,385 ft. Circulated bottoms up at 7,385 ft. Tested 7 inch casing at 7,385 ft. Starting pressure 1574, ending pressure 1515, good test. WOC 72 hours. Reduced hole to 6-1/8 inch and resumed drilling.

12/3/13 – Reached TD 6-1/8 inch hole to 12,560 ft. Note: Notified Michael Balliett with BLM-Carlsbad, of upcoming casing and cementing operations.

12/4/13 – Set 4-1/2 inch 11.60 lb P-110 Buttress casing at 12,560 ft. Stage tool set at 7,312 ft. Packer set at 7,315 ft. Float collar set at 12,513 ft. Cemented with 390 sacks PVLite + 0.7 percent D112 + 30 percent D151 + 1.5 percent D174 + 0.1 percent D208 + 0.6 percent D800 + 0.2 percent D46 (yld 1.82, wt 13). KOP at 7,521 ft.

12/5/13 – Rig released at 11:00 pm.

  
Regulatory Reporting Technician  
December 9, 2013