

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ Reason for Filing Code/ Effective Date NW
⁴ API Number 30 -015 - 39801	⁵ Pool Name Parkway; Bone Spring	⁶ Pool Code 49622
⁷ Property Code 17558	⁸ Property Name Hanagan APL Federal Com	⁹ Well Number 3H

II. ¹⁰ Surface Location

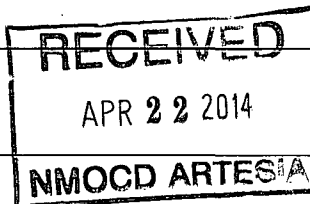
UL or lot no. M	Section 31	Township 19S	Range 30E	Lot Idn	Feet from the 660	North/South Line South	Feet from the 180	East/West line West	County Eddy
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¹¹ Bottom Hole Location

UL or lot no. P	Section 31	Township 19S	Range 30E	Lot Idn	Feet from the 666	North/South line South	Feet from the 340	East/West line East	County Eddy
¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 4/9/14	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
286911	Remuda Energy Transportation, LLC 105 South Fourth Street Artesia, NM 88210	O
036785	DCP Midstream 10 Desta Drive, Suite 400-W Midland, TX 79705	G



IV. Well Completion Data

²¹ Spud Date RH 1/2/14 RT 1/9/14	²² Ready Date 4/8/14	²³ TD 13,017' 8429	²⁴ PBDT 12,968'	²⁵ Perforations 8,436' - 12,958'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
36"	30"	80'	10 yds of redi-mix to surface		
26"	20"	275'	1501 sx (circ)		
17-1/2"	13-3/8"	1,688'	970 sx (circ)		
12-1/4"	9-5/8"	3,511'	900 sx (circ)		
8-1/2"	5-1/2"	13,015'	1930 sx (TOC 2,080' CBL)		
	2-7/8"	7,881'			

V. Well Test Data

³¹ Date New Oil 4/9/14	³² Gas Delivery Date 4/9/14	³³ Test Date 4/14/14	³⁴ Test Length 24 hours	³⁵ Tbg. Pressure 380 psi	³⁶ Csg. Pressure 160 psi
³⁷ Choke Size 12/64"	³⁸ Oil 252	³⁹ Water 477	⁴⁰ Gas 245		⁴¹ Test Method Pump Test

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Laura Watts*

Printed name

Laura Watts

Title:

Regulatory Reporting Technician

E-mail Address:

laura@yatespetroleum.com

Date: April 21, 2014

Phone:

575-748-4272

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

Dist R Supervisor

Approval Date:

6/6/14

Pending BLM approvals will
subsequently be reviewed
and scanned

3160-4
3160-5 (3)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM62211	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS Email: laura@yatespetroleum.com		7. Unit or CA Agreement Name and No.	
3. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		8. Lease Name and Well No. HANAGAN APL FEDERAL COM 3H	
3a. Phone No. (include area code) Ph: 575-748-4272		9. API Well No. 30-015-39801	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface: SWSW 660FSL 180FWL At top prod interval reported below: SWSW 660FSL 180FWL At total depth: SESE 666FSL 340FEL		10. Field and Pool, or Exploratory PARKWAY; BONE SPRING	
		11. Sec., T., R., M., or Block and Survey or Area Sec 31 T19S R30E Mer	
		12. County or Parish EDDY	
		13. State NM	
14. Date Spudded 01/02/2014	15. Date T.D. Reached 02/11/2014	16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 04/08/2014	
17. Elevations (DF, KB, RT, GL)* 3326 GL			
18. Total Depth: MD TVD 13017	19. Plug Back T.D.: MD TVD 12968	20. Depth Bridge Plug Set: MD TVD	
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CBL		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)	

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
36.000	30.000		0	80				0	
26.000	20.000 J-55	106.5	0	275		1501		0	
17.500	13.375 H-40	48.0	0	1688		970		0	
12.250	9.625 J-55	36.0	0	3511		900		0	
8.500	5.500 P-110	17.0	0	13015		1930		2080	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	7881							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	8436	12958	8436 TO 12958		442	PRODUCING
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8436 TO 12958	ACIDIZED W/72,900G 7.5 PERCENT HCL ACID, FRAC W/A TOTAL OF 4,615,205 LBS 16/30 RCS&20/40 WHITE SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/09/2014	04/14/2014	24	→	252.0	245.0	477.0			ELECTRIC PUMP SUB-SURFACE
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
12/64	SI	380	→	252	245	477		P.	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity
			→					
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
	SI		→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #242769 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

Pending BLM approvals will subsequently be reviewed and scanned

28b. Production - Interval C									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				RUSTLER.	330
				SALT	487
				YATES	1492
				SEVEN RIVERS	1690
				CAPITAN REEF	1838
				DELAWARE	3633
				CHERRY CANYON	3796
				BRUSHY CANYON	4337

32. Additional remarks (include plugging procedure):

52. Formation (Log) Markers continued
Bone Spring - 6080

2 CBL logs sent to BLM-Carlsbad and 1 to NMOC-D-Artesia on 4/21/14.
Surveys attached

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #242769 Verified by the BLM Well Information System.
For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Name (please print) LAURA WATTS

Title REG REPORTING TECHNICIAN

Signature (Electronic Submission)

Date 04/21/2014

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.

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

Additional data for transaction #242769 that would not fit on the form

32. Additional remarks, continued

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. NMNM62211
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS -Mail: laura@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4272 Fx: 575-748-4585	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E SWSW 660FSL 180FWL		8. Well Name and No. HANAGAN APL FEDERAL COM 3H
		9. API Well No. 30-015-39801
		10. Field and Pool, or Exploratory PARKWAY; BONE SPRING
		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 checked="" 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 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.)

2/26/14 - NU BOP.
2/27/14 -3/1/14 - Tagged DV tool at 5,004 ft, drilled out. Circulated hole clean. Pressure tested to 3000 psi for 30 mins, held good. Tagged 2nd DV tool at 7,390 ft, drilled out. Circulated hole clean. Pressure tested to 3000 psi for 30 mins, held good.
3/2/14 - Circulated hole with 300 bbls 3 percent KCL with CRW-132 chemical. Pressure tested casing to 3000 psi for 30 mins, held good.
3/3/14 - Reamed through DV tools at 5,004 ft and 7,390 ft. Apply 1000 psi to casing. Ran CBL from 8,350 ft to 1,650 ft.
3/5/14 -Pumped 55 bbls 3 percent KCL into formation.
3/9/14 - Apply 1500 psi to casing and ran CBL from 8,420 ft to surface.
3/10-18/14 - Perforated Bone Spring 8,436 ft - 12,958' (442 holes). Acidized with 72,900 gals 7.5 percent HCL acid, frac with a total of 4,615,205 lbs 16/30 RCS and 20/40 White sand. 2-7/8 inch

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

Electronic Submission #242218 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Name (Printed/Typed) LAURA WATTS	Title REG REPORTING TECHNICIAN
Signature (Electronic Submission)	Date 04/14/2014

THIS SPACE FOR FEDERAL OR STATE OF

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 _____	

Pending BLM approvals will
subsequently be reviewed
and scanned

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 #242218 that would not fit on the form

32. Additional remarks, continued

6.5 lb L-80 tubing at 7,881 ft.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMNM62211

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
HANAGAN APL FEDERAL COM 3H

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: LAURA WATTS
E-Mail: laura@yatespetroleum.com

9. API Well No.
30-015-39801

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4272
Fx: 575-748-4585

10. Field and Pool, or Exploratory
PARKWAY, BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 31 T19S R30E SWSW 660FSL 180FWL

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.)

1/30/14 - Drilled to 7,891 ft KOP and continued drilling directional.
2/4/14 - Drilled to 8,672 ft and reduced hole to 8-1/2 inch and continued drilling.
2/11/14 - Reached TD 8-1/2 inch hole to 13,017 ft.
2/14/14 - Set 5-1/2 inch 17 lb P-110 BTC casing at 13,015 ft. Diversion tool/stage tool at 7,392 ft. Float collar at 12,968 ft. Cemented stage 1 with 1,000 sacks Class C + 0.2 percent D046 + 75 lb/sx D049 + 0.05 percent D112 + 30 percent D151 + 1.5 percent D174 + 60 lb/sx D208 + 0.8 percent D800 (yld 1.82, wt 13.00). Circulated 370 sacks to surface. Cemented stage 2 with 450 sacks Class C + 0.2 percent D046 + 75 lb/sx D049 + 0.5 percent D112 + 30 percent D151 + 1.5 percent D174 + 0.15 percent D208 + 0.5 percent D800 (yld 1.82, wt 13.00). Circulated 169 sacks to surface. Cemented stage 3 with 380 sacks Class C + 0.1 percent D013 + 5 percent D020 + 29 percent D035 + 5 percent D044 + 0.2 percent D046 + 0.2 percent D065 + 0.12 percent D130 + 0.03 percent D208 + 61 percent D903 (yld 2.04, wt 13.00). Tailed in with 100 sacks Class C + 0.5 percent D020 + 42 lb/sx D035 + 5

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

Electronic Submission #235994 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Name (Printed/Typed) LAURA WATTS

Title REG REPORTING TECHNICIAN

Signature (Electronic Submission)

Date 02/19/2014

THIS SPACE FOR FEDERAL OR STATE C

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

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 ****

Pending BLM approvals will
subsequently be reviewed
and scanned

Additional data for EC transaction #235994 that would not fit on the form

32. Additional remarks, continued

percent D044 + 0.2 percent D046 + 0.2 percent D065 + 0.06 percent D208 + 47 lb/sx D903 (yld 1.35, wt 14.20).
2/15/14 - Rig released at 10:00 pm.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
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FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUBMIT IN TRIPLICATE - Other instructions on reverse side.		5. Lease Serial No. NMNM62211
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. HANAGAN APL FEDERAL COM 3H
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS E-Mail: laura@yatespetroleum.com		9. API Well No. 30-015-39801
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4272 Fx: 575-748-4585	10. Field and Pool, or Exploratory PARKWAY; BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E SWSW 660FSL 180FWL		11. County or Parish, and State EDDY COUNTY 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 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.)

1/2/14 - Moved in rathole service and spudded well with rathole at 10:30 am. Hole size 36 inch. Set 80 ft of 30 inch conductor and cemented with 10 yards of redi mix. Notified Cheryl de Montigny with Carlsbad BLM of intent to spud. Waiting on rotary tools.
1/9/14 - Resumed drilling with rotary tools at 7:00 pm.
1/10-14/14 - Set 20 inch 106.5 lb J-55 BT&C casing at 275 ft. Cemented with 585 sacks 50/50 Poz C + 2 lb/sx B288 + 2 lb/sx B289 + 3 lb/sx D042 + 0.2 percent D046 + 0.125 lb/sx D130 (yld 1.40, wt 14.8). Cement did not circulate. WOC. Tagged cement at 227 ft. Pumped stage 1 with 50 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 199 ft. Stage 2 with 50 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 190 ft. Stage 3 with 57 sacks 50/50 Poz C (yld 1.40, wt 14.80). WOC. Tagged cement at 166 ft. Stage 4 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 134 ft. Stage 5 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 134 ft. Stage 6 with 134 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged

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

Electronic Submission #235038 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Name (Printed/Typed) LAURA WATTS	Title REG REPORTING TECHNICIAN
Signature (Electronic Submission)	Date 02/10/2014

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 _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Agency of the United

Pending BLM approvals will
subsequently be reviewed
and scanned

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

Additional data for EC transaction #235038 that would not fit on the form

32. Additional remarks, continued

cement at 134 ft. Stage 7 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 134 ft. Stage 8 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 134 ft. Stage 9 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 130 ft. Stage 10 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 128 ft. Stage 11 with 50 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 128 ft. Stage 12 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 126 ft. Stage 13 with 25 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 125 ft. Stage 14 with 15 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Increased Calcium Chlorides content to 3 percent. Tagged cement at 124 ft. Stage 15 with 15 sacks 50/50 Poz C (yld 1.40, wt 14.8). WOC. Tagged cement at 125 ft. Stage 16 with 15 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 125 ft. Stage 17 with 25 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 125 ft. Contacted BLM-Carlsbad in reference to pumping redi-mix with pea gravel, was declined were instructed to continue using the current method. Stage 18 with 25 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC.
CONTINUED ON ATTACHED SHEET

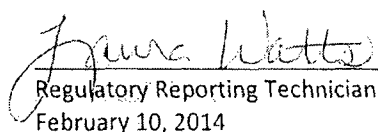
Form 3160-5 continued:

Tagged cement at 124 ft. Stage 19 with 25 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 124 ft. Stage 20 with 25 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Witnessed by BLM rep Jim Hughes. Tagged cement at 124 ft. Stage 21 with 35 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 124 ft. Stage 22 with 35 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 124 ft. Witnessed by BLM rep Jim Hughes. This is the 3rd tag with no increase in column height. Stage 23 with 35 sacks 50/50 Poz C + 3.5 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 124 ft. Witnessed by BLM rep Jim Hughes. This is the 4th tag with no increase in column height. Request to pump redi-mix pea gravel was approved. Cut window in 20 inch conductor. Poured 194, 5 gallon buckets of 3/8 inch pea gravel into conductor window while 1 inch pipe is constantly being reciprocated to check for fill and aiding in distribution of pea gravel. 10 ft of column height to 113 ft above existing to off at 123 ft was achieved after 194 buckets of gravel was placed. Waited 15 mins to see if pea gravel had sloughed in but the top of pea gravel remained constant at 113 ft. Pumped stage 24 with 25 sacks 50/50 Poz C + 3.5 percent Calcium Chloride (yld 1.40, wt 14.8). WOC. Tagged cement at 75 ft firm – hard. Stage 25 with 100 sacks 50/50 Poz C + 4 percent Calcium Chloride (yld 1.40, wt 14.8). Note: Cement was brought to surface. BLM rep Jim Hughes was not on location to witness job. WOC 4 hours.

1/15/14 – Spoke with Jim Hughes of the Carlsbad BLM and discussed test time to ensure that we are not in violation of any standing BLM rules. Tested 20 inch surface casing to 600 psi for 30 mins, good test. WOC 126 hours. Reduced hole to 17-1/2 inch and resumed drilling.

1/18/14 – TD 17-1/2 inch hole at 1,688 ft. Set 13-3/8 inch 48 lb and 54.5 lb H-40, J-55 ST&C casing to 1,688 ft. Cemented with 610 sacks of 35:65:6 Poz C + 0.125 lb/sx D130 + 0.2 percent D46 + 5.0 lb/sx D42 + 0.01 lb/sx D177 (yld 2.23, wt 12.80). Tailed in with 360 sacks 35:65:6 Poz C + 2.0 lb/sx B288 + 2.0 lb/sx B289 + 0.3 percent D112 + 0.125 lb/sx D130 + 5.0 percent D44 + 0.2 percent D46 + 5.0 percent D020 + 5.0 lb/sx D42 (yld 1.35, wt 14.80). Displaced with 258 bbls of fresh water. Circulated 75 sacks to pit. Tested casing to 1500 psi, good. WOC 35 hours 30 mins. Reduced hole to 12-1/4 inch and resumed drilling.

1/23/14 – TD 12-1/4 inch hole at 3,511 ft. Set 9-5/8 inch 36 lb J-55 LT&C casing at 3,511 ft. Openhole isolation packer set at 1,844 ft. Cemented stage 1 with 210 sacks 35:65:6 Poz C + 2 lb/sx B288 + 2 percent B289 + 0.1 percent D013 + 5 lb/sx D042 + 5 percent D044 + 75 lb/sx D049 + 0.125 lb/sx D130 + 0.2 percent D46 + 2 percent D020 (yld 2.06, wt 12.0). Tailed in with 300 sacks 35:65:6 Poz C + 0.125 lb/sx D130 + 42 lb/sx D135 + 5 percent D44 + 0.2 percent D46 + 5 lb/sx D42 + 0.02 percent D208 (yld 1.38, wt 14.2). Circulated 82 sacks to pit. Cemented stage 2 with 190 sacks 35:65:6 Poz H + 5 percent D020 + 0.3 percent D042 + 5 percent D044 + 0.2 percent D046 + 0.3 percent D112 + 0.125 percent D130 + 94 lb D903 (yld 2.15, wt 12.0) and 100 sacks 35:65:6 Poz C (yld 2.15, wt 12.8). Tailed in with 100 sacks 35:65:6 Poz C + 94 lb/sx D903 + 3 lb/sx D042 + 0.2 percent D046 + 0.125 lb/sx D130 (yld 1.34, wt 14.2). Circulated 22 sacks to pit. Tested casing to 1500 psi, good. WOC 39 hours 5 mins. Reduced hole to 8-3/4 inch and resumed drilling.


Regulatory Reporting Technician
February 10, 2014