

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No NMNM100315 |
| 2 Name of Operator YATES PETROLEUM CORPORATION | | 6 If Indian, Allottee or Tribe Name |
| 3a Address 105 S 4TH STREET ARTESIA, NM 88210 | | 7. If Unit or CA/Agreement, Name and/or No. NMNM117909X |
| 3b. Phone No. (include area code) Ph: 505.748.4168 Fx: 575.748.4585 | | 8 Well Name and No RECIF UNIT 1 |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T23S R23E NWNE 660FNL 1980FEL | | 9 API Well No. 30-015-35939-00-X1 |
| 11. County or Parish, and State EDDY COUNTY, NM | | 10 Field and Pool, or Exploratory WILDCAT MORROW |

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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other |

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 recompletable 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.)

5/27/08 Drilled DV tool at 9102'. Tested DV tool to 1000 psi, held good.

5/28/08 TOC at 6204' est.

5/29/08 Perforated Barnett 10,000'-10,026'(162). Acidized with 2500g 7-1/2% IC HCL with 200 ball sealers.

6/2/08 Set a 5-1/2" CIBP at 9970' with 35' cement on top.

6/3/08 Perforated Morrow 9806'-9824'(114). Acidized with 1000g 7-1/2% IC HCL acid with 125 ball sealers.

6/15/08 Frac Morrow with CO2 foam frac, 350 bbls fluid, 155 tons CO2, 36,400# 20/40 Versaprop.

AS-1 packer and 2-7/8" tubing at 9585'.

* Address: TOC @ 6204 est. APD required 500' into 9 5/8"
Set @ 2800'. TOC should be @ 2300'. Need plan.

| | |
|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #61153 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 06/30/2008 (08KMS2118SE) | |
| Name (Printed/Typed) TINA HUERTA | Title REG COMPLIANCE SUPERVISOR |
| Signature (Electronic Submission) | Date 06/30/2008 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|--------------------------------------|---------------|
| Approved By ACCEPTED | JAMES A AMOS Title SUPERVISOR EPS | Date 07/12/20 |
| 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 ****

Accepted for record - NMOCD