

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010

EC

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.

OCT 05 2009

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 NMNM102034 / |
| 2 Name of Operator YATES PETROLEUM CORPORATION | | 6 If Indian, Allottee or Tribe Name |
| Contact TINA HUERTA Mail tinah@yatespetroleum.com | | 7 If Unit or CA/Agreement, Name and/or No |
| 3a Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b Phone No (include area code) Ph. 575-748-4168 Fx. 575-748-4585 | 8 Well Name and No. BANJO BNO FEDERAL 1 / |
| 4 Location of Well (Footage Sec., T., R. M., or Survey Description) Sec 5 T26S R30E SESE 510FSL 330FEL | | 9 API Well No 30-015-36923 / |
| | | 10 Field and Pool, or Exploratory WILDCAT; 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 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 | |
| | <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.)

7/27/09 NU BOP. Drilled out DV tool. Circulated clean.

7/28/09 Cleaned out DV tool. Pickle and displace tubing with 600g 15% acid and 210 bbls KCL.

7/29/09 Tested production casing to 1500 psi for 30 min. Perforated Bone Spring 8482'-8492'(11)

and 8554'-8560'(7). Acidized with 1500g 7-1/2% HCL acid.

8/3/09 Set a 5-1/2" CIBP at 8460'. Tested to 1000 psi, good. Perforated Bone Spring

8364'-8372'(9), 8332'-8338'(7), 8322'-8326'(5) and 8315'-8318'(4). Acidized with 1500g 7-1/2% HCL

acid and 50 balls. Balled out with 25 balls on 35 Per Operator

8/12/09 Dump cement on top of CIBP at 8460'. Set a CIBP at 8302' with cement on top. Perforated

Bone Spring 8032'-8254'(72). Acidized with 2000g 7-1/2% MSA acid and 100 balls. Balled out with

80 balls. Frac with 80,866g slickwater, 75,055g WF 825 CMHPG, 36,903g YF 830 LPH, 13,534# 100

mesh, 34,935# 40/70 Jordan-Unimin, 36,681# 20/40 Jordan-Unimin sand

9/7/09 Perforated Bone Spring 7896'-7900'(12), 7854'-7858'(12), 7814'-7818'(12), 7776'-7780'(12),

14 I hereby certify that the foregoing is true and correct

Electronic Submission #74709 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Name (Printed/Typed) TINA HUERTA

Title REG COMPLIANCE SUPERVISOR

Signature (Electronic Submission)

Date 09/23/2009

THIS SPACE FOR FEDERAL OR STATE OFFICIAL USE

ACCEPTED FOR RECORD

Approved By

Title

Date

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

OCT 1 2009

/s/ Dustin Winkler

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Additional data for EC transaction #74709 that would not fit on the form

32. Additional remarks, continued

7726'-7730'(12) and 7694'-7698'(12) Acidized with 2000g 7-1/2% HCL acid. Frac with 73,522g slickwater, 74,991g F 825 CMHPG, 32,800g YF 830 LPH, 14,875# 100 mesh, 35,500# 40/70 Jordan-Unimin, 40,356# 20/40 Jordan-Unimin sand. Perforated Bone Spring 7592'-7596'(12), 7556'-7560'(12) and 7488'-7492'(12). Acidized with 2000g 7-1/2% HCL acid. Frac with 41,402g slickwater, 37,516g WF 825 CMHPG, 20,537g YF 830 LPH, 7443# 100 mesh, 17,544# 40/70 Jordan-Unimin, 28,468# 20/40 Jordan-Unimin sand 2-7/8" tubing and 5-1/2" ASI with S-loc packer at 7400'.

9/16/09 - Date of 1st production - Bone Spring