

RM

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
NM-117120 - BHL

6 If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

RECEIVED
NOV - 9 2009
NMOCD ARTESIA

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

2 Name of Operator
Yates Petroleum Corporation

8 Well Name and No
Balsam BNL Federal Com #1H

3a Address
105 S. 4th Str., Artesia, NM 88210

3b Phone No (include area code)
575-748-1471

9 API Well No
30-015-37035

4 Location of Well (Footage, Sec., T., R., M., OR Survey Description)
Surface - 960'FNL & 30'FEL of Section 8-T24S-R29E (Unit A, NENE)
BHL - 973'FNL & 3776'FEL of Section 8-T24S-R29E (Unit D, NWNW)

10 Field and Pool or Exploratory Area
Wildcat; Bone Spring

11 County or Parish, State
Eddy County, New Mexico

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 checked="" 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 <u>Completion</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Operations</u>
	<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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

- 8/10/09 Rig Released at 11:00 AM.
- 10/4/09 NU BOP. Drilled DV tool at 4232'. Tested DV tool to 1000 psi, held good. Tagged #2 DV tool at 6897'.
- 10/5/09 Drilled DV tool and test to 1000 psi, held good. Circulated hole clean to 7400'.
- 10/6/09 Worked scraper thru DV tools at 4232' and 6897'. TOOH with tubing, scraper and bit. Tagged PBTD at 11,095'. Tested 5-1/2" casing from surface to 11,095' to 2500 psi and held for 30 min. Pickled annulus and tubing with 500g Xylene and 1200g 15% HCL acid. Spotted 2500g 15% HCL double inhibitor acid from 8236'-11,095'.
- 10/7/09 Perforated Bone Spring 11,089' (12), 10,936' (12), 10,783' (12) and 10,630' (12). ND BOP.
- 10/13/09 Spearhead 2500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 3763 bbls fluid, 153,398# 20/40 Ottawa, 84,519# RCS. Spotted 2500g 7-1/2% HCL acid at 10,477'. Perforated Bone Spring 10,477' (12), 10,324' (12), 10,171' (12) and 10,018' (12). Spearhead 2500g 7-1/2% HCL acid ahead of frac. Frac w/a 30#

CONTINUED ON NEXT PAGE:

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Tina Huerta Title Regulatory Compliance Supervisor

Signature *Tina Huerta* Date August 26, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
Date NOV 5 2009
Is/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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


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Form 3160-5 continued:

borate XL, 4392 bbls fluid, 153,440# 20/40 Ottawa, 84,051# 20/40 RCS. Spotted 2500g 7-1/2% HCL acid at 9865'. Perforated Bone Spring 9865' (12), 9712' (12), 9559' (12) and 9406' (12). Spearhead 2500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 3982 bbls fluid, 134,663# 20/40 Ottawa, 80,371# 20/40 RCS.

10/14/09 Spotted 2500g 7-1/2% HCL acid at 9253'. Perforated Bone Spring 9253' (12), 9100' (12), 8947' (12) and 8794' (12). Spearhead 2500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 4051 bbls fluid, 160,727# 20/40 Ottawa, 71,553# 20/40 RCS. Spotted 2500g 7-1/2% HCL acid at 8641'. Perforated Bone Spring 8641' (12), 8488' (12), 8335' (12) and 8182' (12). Spearhead 2500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 4174 bbls fluid, 176,992# 20/40 Ottawa, 83,724# 20/40 RCS. 2-7/8" tubing and AS-1 packer with 2.25" on/off tool with blanking plug in place at 6805'.

10/21/09 Date of 1st production - Bone Spring


Regulatory Compliance Supervisor
October 26, 2009