Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED

| SUNDRY | NOTICES | AND | REPORTS | ON | WELL | S |
|--------|---------|-----|---------|----|------|---|
| | | | | | | |

OMB No. 1004-0137 Expires July 31, 2010

| SUNDRY NOTICES AND REP Do not use this form for proposals to | | 5. Lease Serial No. NM-117120 - BHL 6. If Indian, Allottee or Tribe Name NA | | | |
|--|---|---|---|---------------------------------|--|
| abandoned well. Use Form 3160-3 (AF | 6. | | | | |
| SUBMIT IN TRIPLICATE - Other | 7. | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| 1. Type of Well | | N. | A | | |
| X Oil Well Gas Well O | 8. | 8. Well Name and No. | | | |
| 2. Name of Operator | | Balsam BNL Federal Com #1H | | | |
| Yates Petroleum Corporation 3a. Address | | API Well No. 0-015-3703 | 5 | | |
| 105 S. 4th Str., Artesia, NM 88210 | 3b. Phone No. (include area code 575-748-1471 | · | 10. Field and Pool or Exploratory Area | | |
| 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description | | | | on; Bone Spring | |
| Surface - 960'FNL & 30'FEL of Section 8-T24S- | | 11. County or Parish, State | | | |
| BHL - 973'FNL & 3776'FEL of Section 8-T24S-F | | E | Eddy County, New Mexico | | |
| 12. CHECK APPROPRIATE BOX(ES) | TO INDICATE NATURE OF | NOTICE, REPO | ORT, OR OT | THER DATA | |
| TYPE OF SUBMISSION | OF ACTION | | | | |
| Acidize | Deepen | Production (Start | /Resume) | Water Shut-Off | |
| Notice of Intent Alter Casing | Fracture Treat | Reclamation | | Well Integrity | |
| Casing Repair | New Construction | Recomplete | | X Other Drill out | |
| Subsequent Report Change Plans | Plug and Abandon | Temporarily Aba | ndon | flow through | |
| Final Abandonment Notice Convert to Inje | ° | Water Disposal | - | | |
| 13. Describe Proposed of Completed Operation: Clearly state all pertinent deta | | | -4- d45 | | |
| the proposal is to deepen directionally or recomplete horizontally, give subs Attach the Bond under which the work will be performed or provide the Brollowing completion of the involved operations. If the operation results in testing has been completed. Final Abandonment Notices must be filed onlidetermined that the site is ready for final inspection. | ond No. on file with BLM/BIA. Required subs a multiple completion or recompletion in a new | sequent reports must be vinterval, a Form 3160-4 have been completed and | filed within 30 day must be filed once d the operator has | ys S | |
| 10/21/10 NU BOP. | | | JUPPE | D FOR RECORD | |
| 10/24/10 Drilled out all flow through frac plugs. | | TD at 11,095'.`` | | - TON MEDUND | |
| 10/26/10 ND BOP. Set packer and 2-7/8" 6.4# | N-80 tubing at 6922'. | | | | |
| | NOV 2 9 2010 | | BUFEAU OF | LAND MANAGEMENT AD FIELD OFFICE | |
| | NMOCD ARTES | IA | / | | |
| 14. I hereby certify that the foregoing is true and correct | | | | | |
| Name (Printed/Typed) | Danie | | - Comanda | | |
| Tina Huerta | Title Regula | atory Complianc | e Supervis | UI | |
| Signature (Jina) Huerta | Date Novem | nber 4, 2010 | | | |
| THIS SPA | CE FOR FEDERAL OR STATE OF | FFICE USE | | | |
| Approved by | Title | | Date |) | |
| Conditions of approval, if any, are attached. Approval of this notic certify that the applicant holds legal or equitable title to those rig | | | | | |

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

