

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.**

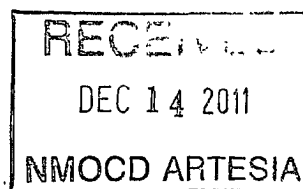
1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM101582
2 Name of Operator YATES PETROLEUM CORPORATION		6 If Indian, Allottee or Tribe Name
3a Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7 If Unit or CA/Agreement, Name and/or No
3b Phone No (include area code) Ph 575-748-4168 Fx 575-748-4585		8 Well Name and No MUCHO LUCK BBW FEDERAL COM 2H
4 Location of Well (Footage, Sec, T, R, M, or Survey Description) Sec 27 T16S R27E SESE 1100FSL 330FEL		9 API Well No 30-015-39348-00-X1
		10 Field and Pool, or Exploratory EMPIRE
		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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<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 Drilling Operations

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/BLA. 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.)

11/5/11 - TD pilot hole to 6250' at 1:45 PM
11/6/11 - Set isolation plug with 200 sx Class "H" cement with additives. Circulated and WOC. TIH to tag cement - no tag.
11/7/11 - Tagged cement at 5760'. Dressed off cement to 5910' (taking 45K WOB to make progress). TIH open ended to 5606'. Pumped 400 sx Class "H" cement with additives kickoff plug. Calc to be from 5600'-5000'. WOC.
11/8/11 - Drilled cement plugs. Tagged at 4772'. Drilled hard cement to 4774'. Fell thru, washed and reamed hole to 4994' where hard cement encountered. Drilled hard cement to 5167'.
11/9/11 - Drilled cement plugs to 5452' KOP and continued to drill directionally.
11/14/11 - Drilled to 6292' reduced hole to 8-1/2" and continued to drill directionally.
11/25/11 - Reached TD 8-1/2" hole to 10,452'.
11/27/11 - Set 5-1/2" 17# HCP-110 LT&C casing at 10,452'. External casing packer/DV tool at 2483'.

Accepted for record
NMOCD 105 12/14/2011

14 I hereby certify that the foregoing is true and correct	
Electronic Submission #124876 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/08/2011 (12JLH0109SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 12/06/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 12/10/2011
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 ****

Additional data for EC transaction #124876 that would not fit on the form

32. Additional remarks, continued

External casing packer/DV tool at 5495' Openhole packers at 5916', 6024', 6277', 6485', 6737', 6990', 7186', 7432', 7630', 7881', 8083', 8334', 8534', 8776', 9025', 9226', 9468', 9709', 9909', 10,149', 10,260' and 10,318'. Frac ports at 6174', 6382', 6635', 6843', 7084', 7291', 7532', 7778', 7980', 8233', 8435', 8678', 8877', 9127', 9369', 9567', 9810', 10,051', 10,206' and dual external hydraulic frac port at 10,377'. Float collar at 10,451'. Dropped ball for toe circ sub. Displaced hole with 3% KCL 5512' to 10,452' with Oxygen Scavenger and Biocide and 3% KCL inside of casing. Dropped ball to close debris sub. Stage 1 cemented with 470 sx 35.65:6 Poz "C" + 3#/sx D042 + 0.125#/sx D130 + 5% D44 + 0.2% D46 + 6% D020 + 0.1% D201 (yld 2.08, wt 12.6). Tailed in with 180 sx Class "C" + 3#/sx D042 + 0.125#/sx D130 + 0.2% D46 + 0.3% D201 + 0.1% D65 (yld 1.35, wt 14.8). Circulated 95 sx to pit WOC. Stage 2 cemented with 270 sx 35.65:6 Poz "C" + 3#/sx D042 + 0.125#/sx D130 + 5% D44 + 0.2% D46 + 6% D020 + 0.1% D201 (yld 2.08, wt 12.6). Tailed in with 180 sx Class "C" + 3#/sx D042 + 0.125#/sx D130 + 0.3% D201 + 0.2% D46 + 0.1% D65 (yld 1.35, wt 14.8). Circulated 70 sx to pit.
11/28/11 - Rig released at 9.00 AM.