

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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. NMNM107383
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. MARCEL BMM FEDERAL 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T16S R29E NENE 1090FNL 200FEL 32.962329 N Lat, 104.020267 W Lon		9. API Well No 30-015-36845-00-X1
		10. Field and Pool, or Exploratory WILDCAT
		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"/> Alter Casing
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Deepen
	<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/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.)

12/21/11 - TD 8-3/4" pilot hole to 7600' at 4:30 AM.

12/25/11 - Pumped isolation plug from 7550'-7250' with 200 sx Class "H". WOC 4 hrs total. Did not tag. Circulated and WOC.

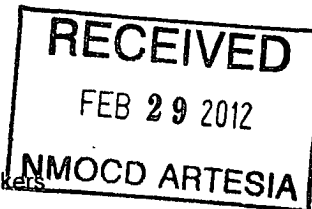
12/26/11 - Wait additional 4 hrs. Tagged isolation plug at 7258'. Pumped kickoff plug with 265 sx Class "H" from 7150'-6750'. Notified BLM of operations via voicemail. WOC.

12/27/11 - Picked up directional tools. Tagged cement at 6615'. Dress off cement. Slide from 6874'-6891' and start building curve at 6874'. Continue to drill directionally.

1/4/12 - Drilled to 7902' and reduced hole to 8-1/2" and continued drilling.

1/21/12 - Reached TD 8-1/2" hole to 12,000'.

1/23/12 - Set 5-1/2" 17# HCP-110 LT&C casing at 12,000'. DV/stage tool at 7054'. Openhole packers at 7659', 7720', 7923', 8168', 8372', 8574', 8820', 9016', 9260', 9462', 9665', 9909', 10,111', 10,350', 10,552', 10,755', 11,002', 11,205', 11,451', 11,654', 11,813' and hydraulic anchor at



Accepted for record

NMOCD

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #130553 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by KURT SIMMONS on 02/10/2012 (12KMS0949SE)

Name (Printed/Typed) TINA HUERTA

Title REG COMPLIANCE SUPERVISOR

Signature (Electronic Submission)

Date 02/09/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 02/20/2012
	Office Carlsbad	

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

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 #130553 that would not fit on the form

32. Additional remarks, continued

11,872'. Fracports at 7823', 8025', 8272', 8474', 8720', 8923', 9160', 9362', 9564', 9810', 10,012', 10,250', 10,452', 10,655', 10,902', 11,105', 11,307', 11,554', 11,757' and Dual-External hydraulic fracport at 11,931'. Float collar at 11,998'. Cemented with 900 sx 35:65:6 Poz "C" + 0.3% D013 + 6% D020 + 3% D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125% D130 + 28#/sx D132 + 61#/sx D903 (yld 2.07, wt 12.6). Tailed in with 200 sx Class "C" + 3% D042 + 0.2% D046 + 0.1% D065 + 0.125% D130 + 0.3% D201 + 94#/sx D903 (yld 1.35, wt 14.8).