

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		8. Well Name and No HANAGAN APL FEDERAL COM 2H
2. Name of Operator YATES PETROLEUM CORPORATION-Mail: tinah@yatespetroleum.com		9. API Well No. 30-015-39511-00-X1
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E NWSW Lot L 1600FSL 330FWL		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

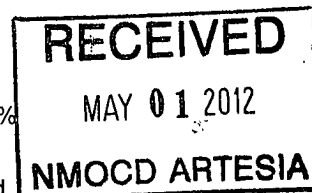
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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	Drilling Operations
	<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 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.)

3/18/12 - TD 17-1/2" hole to 1726'. Set 13-3/8" 48#, 54.5# J-55 ST&C casing at 1726'. Cemented with 960 sx Class "C" Lite + 0.125#/sx D130 + 2% S1 + 0.2% D46 + 4% D020 + 3#/sx D42 (yld 1.99, wt 12.9). Tailed in with 350 sx Class "C" + 0.125#/sx D130 + 0.5% S1 + 0.2% D46 + 3#/sx D42 (yld 1.35, wt 14.8). Tested casing to 1500 psi for 30 min. WOC 40 hrs 30 min. Reduced hole to 12-1/4" and resumed drilling.

3/22/12 - TD 12-1/4" hole to 3522'. Set 9-5/8" 36# K-55 LT&C casing at 3522'. Cemented stage 1 with 180 sx TXI Liteweight + 0.125#/sx D130 + 0.02#/GPS D177 + 4% D020 + 5#/sx D042 + 5% D044 + 1% S001 (yld 2.00, wt 12). Tailed in with 350 sx 50/50 Poz "C" + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 5#/sx D042 + 0.2% D065 (yld 1.36, wt 14.2). Circulated 145 sx to pit. Cemented stage 2 with 330 sx PVL + 4% D020 + 0.125#/sx D130 + 5#/sx D042 + 5% D044 + 0.2% D046 + 1% S001 + 0.5% S001 (yld 2.01, wt 12). Tailed in with 100 sx Class "C" + 0.125#/sx D130 + 0.2% D201 + 3#/sx D042 + 0.2% D046 (yld 1.35, wt 14.8). Circulated 84 bbls to pit. Tested casing to 1500 psi for 30 min. WOC

Accepted for record

NMOCD *LRD* 05/09/12

14. I hereby certify that the foregoing is true and correct. Electronic Submission #135825 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 04/19/2012 (12KMS1675SE)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 04/19/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 04/29/2012
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 #135825 that would not fit on the form

32. Additional remarks, continued

42 hrs 50 min. Reduced hole to 8-3/4" and resumed drilling.