

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM81929
2. Name of Operator YATES PETROLEUM CORPORATION-Mail. tinah@yatespetroleum.com		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 NMNM128739
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		8. Well Name and No. ZIA AHZ FEDERAL COM 2H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T20S R29E NENW 983FNL 2490FWL		9. API Well No. 30-015-40404-00-X1
10. Field and Pool, or Exploratory GETTY Bone Spring		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 Production Start-up

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 recompleat 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.)

7/18/12 - NU BOP. Tagged DV tool at 3925'.

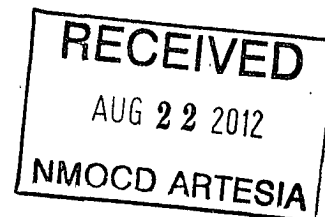
7/19/12 - Drilled out DV tool at 3930' and circulated clean. Tested casing to 1500 psi for 30 min, good. Tagged at 8422', 17' above DV tool at 8439'. Cleaned well out to DV tool. Drilled on DV tool and circulated clean.

7/20/12 - Finished drilling out DV tool at 8439'. Drilled out debris sub at 8441'. Circulated clean. Tested casing to 2800 psi for 30 min, good. RIH to 8525'.

7/22/12 - Displaced hole with 250 bbls 3% KCL with corrosion inhibitor and Scavenger. RIH with CBL/VDL/CCL log from 8470' up to surface with 1000 psi.

7/23/12 - ND BOP. Pumped 5 bbls and loaded casing. Opened hydraulic port at 12,775'.

7/26/12 - Port 12,775' - Pumped 2380 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 1.625" ball, pumped 1000g 7-1/2% HCL acid. Port 12,602' - Pumped 2130 bbls 20# borate x-link, pumped 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 1.750" ball, pumped



14. I hereby certify that the foregoing is true and correct. Electronic Submission #145839 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by WESLEY INGRAM on 08/17/2012 (12WWI0103SE)		Accepted for record NMOC D
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR	
Signature (Electronic Submission)	Date 08/14/2012	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	WESLEY INGRAM Title PETROLEUM ENGINEER	Date 08/17/2012
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 #145839 that would not fit on the form

32. Additional remarks, continued

1000g 7-1/2% HCL acid. Port 12,449' - Pumped 2291 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 1.875" ball, pumped 1000g 7-1/2% HCL acid. Port 12,293' - Pumped 2089 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2" ball, pumped 1000g 7-1/2% HCL acid. Port 12,136' - Pumped 1995 bbls 20# borate x-link, pumped 99,800# 20/40 Jordan, pumped 21,900# 20/40 Super LC, dropped 2.125" ball, pumped 1000g 7-1/2% HCL acid. Port 11,980' - Pumped 2030 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.250" ball, pumped 1000g 7-1/2% HCL acid. Port 11,824' - Pumped 1980 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.625" ball, pumped 1000g 7-1/2% HCL acid. Port 11,639' - Pumped 1916 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.500" ball, pumped 1000g 7-1/2% HCL acid. Port 11,484' - Pumped 2005 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.625" ball, pumped 1000g 7-1/2% HCL acid. Port 11,329' - Pumped 2082 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.750" ball, pumped 1000g 7-1/2% HCL acid. Port 11,173' - Pumped 2002 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 2.875" ball, pumped 1000g 7-1/2% HCL acid. Port 11,017' - Pumped 1900 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 3" ball, pumped 1000g 7-1/2% HCL acid. Port 10,862' - Pumped 1971 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 3.125" ball, pumped 1000g 7-1/2% HCL acid. Port 10,707' - Pumped 2012 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,900# 20/40 Super LC, dropped 3.250" ball, pumped 1000g 7-1/2% HCL acid. Opened port 10,552. Flushed acid away.

CONTINUED ON NEXT PAGE:

Yates Petroleum Corporation
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Eddy County, New Mexico
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Form 3160-5 continued:

7/27/12 – Port 10,552' – Pumped 2037 bbls 20# borate x-link, 102,514# 20/40 Jordan, 20,012# 20/40 Super LC, dropped 3.375" ball, pumped 1000g 7-1/2% HCL acid. Port 10,394' – Pumped 2100 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,100# 20/40 Super LC, dropped 3.5" ball, pumped 1000g 7-1/2% HCL acid. Port 10,236' – Pumped 1959 bbls 20# borate x-link, 102,100# 20/40 Jordan, 19,400# 20/40 Super LC, dropped 3.625" ball, pumped 1000g 7-1/2% HCL acid. Port 10,080' – Pumped 1972 bbls 20# borate x-link, 99,050# 20/40 Jordan, 18,900# 20/40 Super LC, dropped 3.750" ball, pumped 1000g 7-1/2% HCL acid. Port 9925' – Pumped 1962 bbls 20# borate x-link, 100,800# 20/40 Jordan, 22,300# 20/40 Super LC, dropped 3.875" ball, pumped 1000g 7-1/2% HCL acid. Port 9768' – Pumped 1969 bbls 20# borate x-link, 96,500# 20/40 Jordan, 22,400# 20/40 Super LC, dropped 4" ball, pumped 1000g 7-1/2% HCL acid. Port 9611' – Pumped 1963 bbls 20# borate x-link, 99,800# 20/40 Jordan, 21,000# 20/40 Super LC, dropped 4.125" ball, pumped 1000g 7-1/2% HCL acid. Port 9454' – Pumped 1982 bbls 20# borate x-link, 103,200# 20/40 Jordan, 19,200# 20/40 Super LC, dropped 4.250" ball, pumped 1000g 7-1/2% HCL acid. Port 9297' – Pumped 2138 bbls 20# borate x-link, 101,400# 20/40 Jordan, 19,800# 20/40 Super LC, dropped 4.375" ball, pumped 1000g 7-1/2% HCL acid. Port 9054' – Pumped 2086 bbls 20# borate x-link, 104,300# 20/40 Jordan, 20,100# 20/40 Super LC, dropped 4.5" ball, pumped 1000g 7-1/2% HCL acid. Port 8854' – Pumped 1962 bbls 20# borate x-link, 99,000# 20/40 Jordan, 19,800# 20/40 Super LC, dropped 4.625" ball, pumped 1000g 7-1/2% HCL acid. Port 8610' – Pumped 1969 bbls 20# borate x-link, 101,300# 20/40 Jordan, 24,500# 20/40 Super LC
7/29/12 – 7/31/12 – Drilled out all frac ports down to 12,760' and circulated hole clean. 2-7/8" 6.5# 1-55 tubing at 7885'.

8/8/12 Date of 1st production – Bone Spring

Final Bottomhole location is 750'FNI. & 2279'FEL (Unit B, NWNE) of Section 14-T20S-R29E


Regulatory Reporting Supervisor
August 14, 2012