

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMLC028978B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
BENSON DEEP AAS FEDERAL COM 2H

2. Name of Operator Contact: LAURA WATTS
YATES PETROLEUM CORPORATION -Mail: laura@yatespetroleum.com

9. API Well No.
30-015-41247-00-X1

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4272
Fx: 575-748-4585

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 33 T18S R30E NWNW 660FNL 300FWL

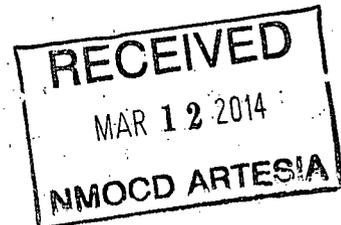
11. County or Parish, and State
EDDY COUNTY, NM

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"/> Alter Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <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 recomplete 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.)

12/4/13 - Moved in Rathole Service and spudded with Rat Hole at 10:00 am. Drilled 26 inch hole. Set 20 inch conductor at 40 ft. Cemented with 6 sacks of redi-mix to surface. Waiting on rotary tools.
12/10/13 - Resumed drilling with rotary tools at 8:30 am. Notified BLM of upcoming casing and cement job.
12/11/13 - TD 17-1/2 hole to 340 ft. Set 13-3/8 inch 48 lb J-55 ST&C casing at 339 ft. Pumped 30 bbls fresh-water spacer followed by 435 sacks of Class C + 0.125 lb/sx D130 + 2.0 lb/sx LCM + 2.0 lb/sx LCM-1 + 0.2 percent D46 + 3.0 lb/sx D42 (yld 1.40, wt 14.8). Circulated 187 sacks to pit. WOC.
12/12/13 - Tested casing to 1500 psi for 30 mins, good. WOC 37 hours 30 mins. Reduced hole to 12-1/4 inch and resumed drilling.
12/16/13 - TD 12-1/4 inch hole to 3,527 ft.



Accepted for record
102 NMLC02 3/13/14

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

**Electronic Submission #232095 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER MASON on 02/19/2014 (14JAM0221SE)**

Name (Printed/Typed) LAURA WATTS Title REG REPORTING TECHNICAN

Signature (Electronic Submission) Date 01/14/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED** Title JAMES A AMOS SUPERVISOR EPS Date 03/08/2014

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.

Additional data for EC transaction #232095 that would not fit on the form

32. Additional remarks, continued

12/17/13 - Set 9-5/8 inch 36 and 40 lb J-55 LT&C casing at 3,526 ft. Cemented with 760 sacks Class 50/50 PozC + 2.0 lb/sx B288 + 2.0 lb/sx B289 + 0.4 percent D013 + 1.5 percent D020 + 3.0 lb/sx D042 + 0.2 percent D046 + 0.2 percent D065 + 0.13 lb/sx D130 + 94 lb/sx D903 + 5.0 percent D044 (yld 1.84, wt 13.5). Tailed in with 300 sacks Class 50/50 PozC + 3.0 lb/sx D042 + 5.0 percent D044 + 0.2 percent D046 + 0.13 lb/sx D130 + 0.3 percent D201 + 94 lb/sx D903 (yld 1.38, wt 14.8).

Circulated 42 sacks to pit. WOC. Richard Carrasco with BLM Carlsbad was on location at beginning of the job, but did not witness cement to surface.

12/18/13 - Tested casing to 1500 psi for 30 mins, held good. WOC 30 hours 45 mins. Reduced hole to 8-3/4 inch and resumed drilling.

12/27-28/13 - Drilled to KOP 7,815 ft and continued drilling directional. Drilled to 8,481 ft and reduced hole to 8-1/2 inch and continued drilling.

1/3/14 - Reached TD 8-1/2 inch hole to 12,748 ft.

1/5/14 - Set 5-1/2 inch 17 lb P-110 buttress casing at 12,745 ft. Float collar set at 12,697 ft.

Pumped 20 bbls Chem Wash and 20 bbls fresh water spacer. Cemented stage 1 with 1050 sacks 50/50 Poz + 0.2 percent D046 + 0.5 percent D112 + 30.0 percent D151 + 1.5 percent D174 + 0.01 gal/sx D177 + 0.1 percent D208 + 0.6 percent D800 (yld. 1.82, wt 13). Circulated 154 sacks to pit. Cemented stage 2 with 340 sacks 50/50 Poz + 0.2 percent D013 + 5.0 percent D020 + 29 lb/sx D035 + 5.0 percent D044 + 0.2 percent D046 + 0.1 percent D065 + 0.13 lb/sx D130 + 0.1 percent D208 + 61 lb/sx D903 (yld 2.04, wt 12.6). Tailed in with 335 sacks 50/50 Poz + 42 lb/sx D035 + 5.0 percent D044 + 0.2 percent D046 + 0.5 percent D208 + 47 lb/sx D903 (yld 1.34, wt 14.2).

1/6/14 - Rig released at 2:00 pm.