

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No PAINTBRUSH BHR FEDERAL COM 2
2. Name of Operator YATES PETROLEUM CORPORATION		9. API Well No. 30-015-35711
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		10. Field and Pool, or Exploratory CHOSA DRAW; MORROW
3b. Phone No. (include area code) Ph: 505-748-4168 Fx: 575-748-4585		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T25S R26E NWNE 1060FNL 1650FEL		

JAN 03 2008

OCD-ARTESIA

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 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.)

12/11/07 Resumed drilling at 11:00 AM.

12/12/07 Set 13-3/8" 48# H-40 casing at 385'. Cemented with 250 sx Class "C" + 2% CaCl₂ + 0.25#/sx Celloflake (yld 1.35, wt 14.8). Tailed in with 200 sx Class "C" + 2% CaCl₂ (yld 1.35, wt 14.8). Cement circulated to surface. Tested casing to 600 psi for 30 min. WOC 23 hrs 45 min.

Reduced hole to 12-1/4" and resumed drilling.

12/16/07 Set 9-5/8" 36# J-55 casing at 1705'. Cemented with 600 sx BJ Lite + 0.125#/sx Cellophane

Flakes + 5% Salt (yld 2.04, wt 12.5). Tailed in with 200 sx Class "C" + 2% CaCl₂ (yld 1.33, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi for 30 min. WOC 33 hrs 15 min.

Reduced hole to 8-3/4" and resumed drilling.

ACCEPTED FOR RECORD

DEC 31 2007

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #57721 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 12/20/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title	Date
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	

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Accepted for record - NMOCD

1/12/08