

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTMAR 10 2008
OCD-ARTESIAFORM 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 NMNM92167
2. Name of Operator YATES DRILLING COMPANY		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA E-Mail: tinah@ypcnm.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address 105 SOUTH FOURTH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505-748-4168 Fx: 575-748-4585	8. Well Name and No LEONARDO BKL FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T25S R27E SWNE 1980FNL 1980FEL		9. API Well No 30 015 22763
		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 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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomple 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 recomple 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.)

1/8/08 Began re-entry procedures.

1/10/08 Drilled down to 1702'. Tagged and cut 7-5/8" casing. Circulated hole clean. Tagged top of 7-5/8" casing stub at 1702'.

1/13/08 TIH with skirted sleeve and cut over 7-5/8" casing.

1/14/08 Top of 7-5/8" casing at 1704'. Sleeve over 7-5/8" casing but no pressure build up. TOOH with sleeve

1/15/08 TIH with skirted sleeve (3.35'), 39 joints 7-5/8" 29# casing (1709.03') for a total of 1712.38'. Set down 5' high with sleeve. Work down. Slip over 7-5/8" casing at 1704'. Pumped 80 sx Premium Plus cement down hole. Circulated cement out of hole. Pumped 350 sx Premium Plus cement at 14.8 ppg. Dropped rubber plug and displaced to 1650 with 75.5 bbls. Did not circulate cement. Pumped 89 bbls slurry. Set slips.

1/17/08 Tagged cement at 1640'. Drilled cement from 1640'-1708'. Fell out of cement. Tested

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #58758 verified by the BLM Well Information System For YATES DRILLING COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 02/26/2008 (08KMS1088SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 02/25/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 03/02/20
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 **

Accepted for record - NMOCB

Additional data for EC transaction #58758 that would not fit on the form

32. Additional remarks, continued

7-5/8" casing to 1000 psi, held good. Continued drilling, unable to drill past 3076'. Circulated hole clean.

1/21/08 Milled and circulated down from 3076' to 8026'. Circulated hole clean.

1/24/08 Drilled and circulated down to 10,746'. Circulated hole clean.

2/15/08 Drilled down to 12,680'. Tested casing to 1000 psi, OK. TOC at 10,703'. Top of hard cement at 10,760'.

2/16/08 Drilled down to 12,469' and washed to 12,704'. Drilled to 12,708'. Circulated hole clean. Tagged TD at 12,712'.

2/18/08 Set 4-1/2" 11.6# HCP-110 casing at 12,712'. Float collar at 12,667'. Cemented with 50 sx 15:61:11 "C" (yld 1.68, wt 12). Tailed in with 350 sx 15:61:11 "C" with additives (yld 1.58, wt 13.2).