

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UCD-ARTESIA
JUL 27 2009

FORM APPROVED
OMB No 1004-0137
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.
NM-117120 - BHL
6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

575-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

Surface - 960'FNL & 30'FEL of Section 8-T24S-R29E (Unit A, NENE)

BHL - 990'FNL & 330'FWL of Section 8-T24S-R29E (Unit D, NWNW)

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

NA

8. Well Name and No

Balsam BNL Federal Com #1H

9. API Well No

30-015-37035

10. Field and Pool or Exploratory Area

Wildcat; Bone Spring

11. County or Parish, State

Eddy County, New Mexico

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 <u>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>and Intermediate</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Casing</u>

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

6/28/09 Resumed drilling at 7:00 AM. TD 17-1/2" hole at 10:45 PM to 639'. Set 11-3/4" 42# H-40 ST&C casing at 639'. Cemented with 500 sx Class "C" with additives (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" with additives (yld 1.34, wt 14.8). Circulated 14 sx to pit. NOTE: Richard Carrasco with BLM-Carlsbad was on location to witness cement job. Tested casing starting 1220 psi, ending 1140 psi. WOC 28 hrs 30 min. Reduced hole to 11" and resumed drilling.

7/2/09 TD 11" hole at 10:15 PM to 2810'. Set 8-5/8" 24#, 32# J-55 ST&C 8rd casing at 2810'. Cemented with 620 sx Class "C" with additives (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" with additives (yld 1.33, wt 14.8). Circulated 62 sx to pit. NOTE: Cement fell back 10-15'. Cemented to surface with Butch's redi-mix truck. Tested casing starting 1550 psi, ending 1478 psi. WOC 27 hrs 15 min. Reduced hole to 7-7/8" and resumed drilling.

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

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

July 15, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

ACCEPTED FOR RECORD

JUL 22 2009

BUREAU OF LAND MANAGEMENT

CARLSBAD FIELD OFFICE