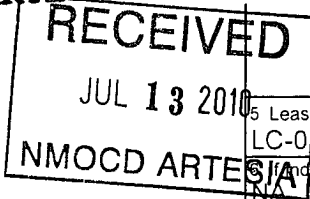


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA



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  
LC-050429-B  
Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7 If Unit or CA/Agreement, Name and/or No
2 Name of Operator Yates Petroleum Corporation		8 Well Name and No Sand Tank APS Fed Com #2H
3a Address 105 S. 4th Str., Artesia, NM 88210	3b Phone No (include area code) 575-748-1471	9 API Well No 30-015-37167
4 Location of Well (Footage, Sec, T, R, M., OR Survey Description) Surface - 460'FSL & 380'FEL of Section 12-T18S-R29E (Unit P, SESE) BHL - 660'FSL & 330'FWL of Section 12-T18S-R29E (Unit M, SWSW)		10 Field and Pool or Exploratory Area Sand Tank; 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>Spud, 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.

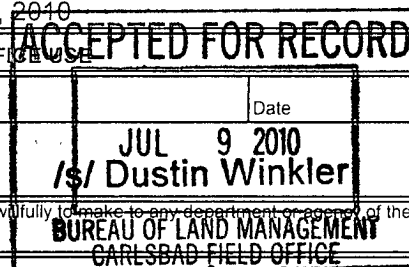
5/21/10 Spudded well and set 40' of 20" conductor, cemented with 11 yds cement.  
 5/25/10 Resumed drilling at 2:45 PM.  
 5/26/10 TD 14-3/4" hole to 472'. Set 11-3/4" 42# H-40 ST&C casing at 472'. Cemented with 250 sx Premium Plus + 2% CaCl (yld 1.35, wt 14.8). Tailed in with 100 sx Premium Plus + 2% CaCl (yld 1.35, wt 14.8). Cement did not circulate. Ran temperature survey and showed TOC at 90'. Picked up 1" pipe and tagged cement at 133'. Picked up to 118'. Ran 1" cement to surface with 100 sx. Did not circulated cement Tagged cement at 25'. Ran 1" cement to surface with 25 sx Premium Plus. Circulated 12 sx to pit. Tested casing to 1200 psi, OK. WOC 32 hrs. Reduced hole to 11" and resumed drilling.  
 5/31/10 TD 11" hole to 3276'. Set 8-5/8" 32# J-55 ST&C casing at 3276'. Cemented with 650 sx Premium Plus Lite + 5#/sx Gilsonite + 0.125#/sx Poly-e-flake + 5% salt (yld 1.85, wt 12.9). Tailed in with 200 sx Premium Plus Lite (yld 1.33, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi WOC 20 hrs 25 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		Date June 18, 2010

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.



Rm