OCD-ARTESIA UNITED STATES FORM APPROVED DEPARTMENT OF THE INTERIOR OMB No 1004-0137 BUREAU OF LAND MANAGEMENT Expnes July 31, 2010 NOTICES AND REPORTS ON WELLS 5. Lease Senal No NM-102028 Do not use this form for proposals to drill or to re-enter an 6 If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. Type of Well Gas Well X Other PA 8. Well Name and No. Oil Well Milton BMF Federal Com #1H 2. Name of Operator Yates Petroleum Corporation 9 API Well No 3b Phone No. (include area code) 30-015-36955 3a. Address 575-748-1471 105 S. 4th Str., Artesia, NM 88210 10 Field and Pool or Exploratory Area 4 Location of Well (Footage, Sec., T., R., M., OR Survey Description) Wildcat Wolfcamp 11 County or Parish, State Surface- 4590' FNL & 100' FEL of Section 4-T16S-R29E (Lot 16) Eddy County, NM 12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off X Reclamation Notice of Intent Alter Casing Fracture Treat Well Integrity Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Plug Back Convert to Injection Water Disposal 13. Describe Proposed of Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof 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 lesting 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 Reclamation work has been completed per notice of written order # 10-BJB-062. Yates will continue to monitor until BLM objectives have been met. A Final Abandonment Notice will be submitted when the potential for successful revegetation is established. ACCEPTED FOR RECORD 2010 **AUG** BURKAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Michelle Taylor Regulatory Compliance Mgr. Title July 2, 2010 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title

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

Office

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