N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-5 (August 2007) UNITED STATES ATTESIA, NM 88210

DEPARTMENT OF THE INTERIOR NM 88210

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS 5. Lease Serial No NM-101579 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. X Oil Well Gas Well Other Quarterback BQG Federal Com #1 2. Name of Operator Yates Petroleum Corporation 9. API Well No. 3a. Address 3b. Phone No. (include area code) 30-005-64138 105 S. 4th Str., Artesia, NM 88210 575-748-1471 10. Field and Pool or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Wildcat; Wolfcamp (Oil) 11. County or Parish, State 1980'FSL & 1980'FEL of Section 6-T12S-R27E (Unit J, NWSE) Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Deepen Production (Start/Resume) Fracture Treat Reclamation Well Integrity Notice of Intent Alter Casing Casing Repair New Construction Recomplete Other Name Subsequent Report Temporarily Abandon Change Plans Plug and Abandon Change Final Abandonment Notice Convert to Injection Plug Back 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 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. RECEIVED ARTESIA Former Wellname: Quarterback BQG Federal Com #1 New Wellname: Quarterback BQG Federal #1 OPER. OGRID NO.<u>2.5575</u> Effective 11/10 PROPERTY NO. 38460 POOL CODE 97361 EFF. DATE 11-02-10 APINO. 30-005-64138 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor November 22, 2010 Signature DECODITHIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved 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, incitious or fraudulent statements of traudulent statements of the United States any false, incitious or fraudulent statements of the United States any false, incitious or fraudulent statements of the United States any false, incitious or fraudulent statements of the United States any false, incitious or fraudulent statements of the United States and States and

Office

(Instructions on page 2) ROLEUM ENGINEER

Conditions

of approval, if any, are attached. Approval of this notice does not warrant or

certify that the applicant holds legafor emiliable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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