

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**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.**OCD - Artesia
FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM105211
2. Name of Operator YATES PETROLEUM CORPORATION Mutchison Oil & Gas Contact: CINDY COTTRELL Email: ccottrell@jdmii.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 972-931-0700 Ext: 109 Fax: 972-931-0701	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T16S R29E SWNW Lot 13 3700FSL 180FWL 32.95367 N Lat, 104.05349 W Lon		8. Well Name and No. PEQUENO MIKE BLU FEDERAL 3H
		9. API Well No. 30-015-36985-00-X1
		10. Field and Pool, or Exploratory COUNTY LINE TANK
		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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Drilling Operations

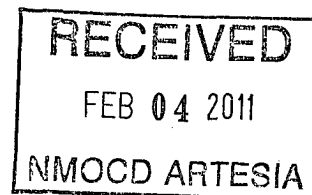
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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.)

1/18/11 - 1/21/11 - Drilled 12-1/4 in. hole to 2,610 ft. & ran 9-5/8 in. casing as follows:

1 Float Shoe - 1 ft.
1 Jt. 9-5/8 in. 36# J-55 ST&C - 43 ft.
1 Float Collar - 2 ft.
61 Jts. 9-5/8 in. 36# J-55 ST&C - 2,569 ft.
Total - 2,615 ft.

Set casing @ 2,610 ft.

1/22/11 - Cement: Lead w/800 SXS Econocem-HLC w/3% salt + 5 lb/sk gilsonite; 12.9 ppg, 1.82 yield,
9.14 gal/sx. Tail w/220 SXS HalCem-C + 2% CaCl; 14.8 ppg, 1.35 yield, 6.39 gal/sx. Displaced with



14. I hereby certify that the foregoing is true and correct. Electronic Submission #101225 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 01/25/2011 (11KMS0662SE)	
Name (Printed/Typed) ARNOLD NALL	Title VICE PRESIDENT OPERATIONS
Signature (Electronic Submission)	Date 01/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 01/30/2011
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 ****

Additional data for EC transaction #101225 that would not fit on the form

32. Additional remarks, continued

199 bbls fresh water. Bumped plug w/500 psi over (1050 psi total), float held, circ 30 bbls cmt to pit. Plug down. Cut off 9-5/8 in. csg, weld on wellhead. Nipple up BOP and test to 250 psi low and 5000 psi high. Test annular to 250 psi low and 2500 psi high. Held OK. Trip in hole w/ 8-3/4 in. bit and drill cement & float collar 2,560 ft. - 2,575 ft. Test csg to 1200 psi. WOC total of 18.75 hrs. Drill cement from 2,575 ft. - 2,610 ft. Resume drilling formation at 2,610 ft.