

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

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|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM92742 |
| 2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA Email: tinah@yatespetroleum.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T22S R23E SENW 1500FNL 1550FWL | | 8. Well Name and No. ZINGARO ANG FED 4 |
| | | 9. API Well No. 30-015-30550-00-S1 |
| | | 10. Field and Pool, or Exploratory INDIAN BASIN |
| | | 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 checked="" 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 type="checkbox"/> Other |

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.)

4/10/11 - Pumped 25 bbls down tubing and 20 bbls down casing. NU BOP.
4/12/11 - Spotted 150 sx Class "H" cement at 7498'. Displaced with 10 bbls. WOC. RIH with tubing to 7498' - no cement. Spotted 150 sx Class "H" cement.
4/13/11 - RIH to 7498'. Did not tag - no cement. Spotted 150 sx Class "H" cement at 6513'. Displaced with 5 bbls. WOC. Tagged cement at 7465', 27.5' below bottom perf. Spotted 150 sx Class "H" cement at 6513'. Displaced with 5 bbls.
4/14/11 - Tagged TOC at 6891'. Loaded and tested with 264 bbls to 1000 psi for 30 min, good.
4/17/11 - Tagged cement at 6891'. Drilled out cement to 7000' and circulated clean.
4/18/11 - Drilled out cement to 7260' and circulated clean.
4/19/11 - Drilled out cement to 7458' and circulated clean. Tested casing to 1100 psi in 10 min, lost 900 psi.
4/20/11 - Drilled out cement to 7485', lost returns. Pumped 200 sx Class "H" cement at 7465'.

Accepted for record - NMOC **5-31-11**

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|---|---------------------------------|
| 14. Thereby certify that the foregoing is true and correct. Electronic Submission #108643 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/19/2011 (11KMS1716SE) | |
| Name (Printed/Typed) TINA HUERTA | Title REG COMPLIANCE SUPERVISOR |
| Signature (Electronic Submission) | Date 05/19/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|-----------------|
| Approved By ACCEPTED | WESLEY INGRAM Title PETROLEUM ENGINEER | Date 05/20/2011 |
| 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 #108643 that would not fit on the form

32. Additional remarks, continued

Displaced with 5 bbls.

4/21/11 - Tagged cement at 7458'. ND BOP.

5/11/11 - TIH to 7168'. Pumped 280 bbls, did not load up. WOC. Pumped 200 sx Class "H" cement.

Displaced with 5 bbls.

5/12/11 - Tagged cement at 7488'. Spotted 200 sx Class "H" cement.

5/15/11 - Tagged cement at 7004'. RIH to 7004'. Took 255 bbls to break circulation. Clean out hard cement at 7033'. Drilled cement to 7099' and circulated clean.

5/16/11 - Drilled out cement from 7099'-7392' and circulated clean.

5/17/11 - Drilled out cement from 7392'-7453'. Tested casing to 300 psi for 15 min, good. Drilled cement and lost returns at 7505'.