

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

HOBBS OCD

OCT 13 2011

RECEIVED

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>SWD</u>		5 Lease Serial No NM-64605
2 Name of Operator Yates Petroleum Corporation		6 If Indian, Allottee or Tribe Name NA
3a Address 105 S. 4th Str., Artesia, NM 88210	3b Phone No (include area code) 575-748-1471	7 If Unit or CA/Agreement, Name and/or No NA
4 Location of Well (Footage, Sec., T., R., M., OR Survey Description) 1980'FSL & 660'FWL of Section 6-T22S-R32E (Unit L, NWSW)		8 Well Name and No Rosemary SWD #1
		9 API Well No 30-025-31227
		10 Field and Pool or Exploratory Area SWD, Delaware
		11 County or Parish, State Lea 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>Convert</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>to SWD and</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Name Change</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 recomplate 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 recomplate 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.

8/8/11 NU BOP. Tagged RBP at 7225' Pumped 50 bbls down tubing. Latched onto RBP and released RIH with tubing and tagged at 8448' (108' of fill). PBTD at 8556' Pumped 160 bbls and broke circulation

8/9/11 Cleaned well out to PBTD 8556' as per BLM.

8/10/11 Spotted a 25 sx Class "H" cement plug across Bone Spring top at 8336'. Spotted 21 bbls (879') of gel mud between plugs Spotted a 147 sx Class "C" cement plug over DV tool to 5900'.

8/11/11 Tagged TOC at 6548'. Loaded and tested casing to 3000 psi for 30 min, good Spotted a 64 sx Class "C" cement plug up to 5835'. WOC Tagged cement top at 5835'.

8/14/11 Perforated Delaware 5424'-5438' (8), 5462'-5480' (10), 5540'-5594' (28), 5610'-5640' (16) and 5688'-5730' (22). Bottom
Set Uni-V packer and 2-7/8" tubing at 5330'

8/15/11 Acidized with 2500g 7-1/2% HCL acid Broke at 2420 psi, dropped 150 balls, good ball action, balled with 150 balls.

CONTINUED ON NEXT PAGE:

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta		Title Regulatory Compliance Supervisor
Signature		Date September 9, 2011
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	Date OCT 8 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
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.		

Form 3160-5 continued:

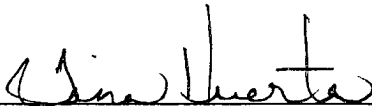
8/16/11 Released packer. RIH to bottom perf to knock balls off. POH and lay down all 2-7/8" tubing ND BOP.
8/17/11 Frac using a 25# x-linked gel, pumped 2500g 7-1/2% HCL acid, 198,026# 16/30 TG. Set a 5-1/2" composite plug at 5400'. Perforated Delaware 5302'-5320' (17), 5238'-5252' (7), 5190'-5220' (16) and 5066'-5084' (10).
Acidized with 2500g 7-1/2% HCL acid, frac with 200,818# 16/30 TG. Set a 5-1/2" composite plug at 5050'.
Perforated Delaware 4934'-4974' (21), 4688'-4770' (30) and 4626'-4670' (23) Acidized with 2500g 7-1/2% HCL acid, frac with 207,938# 16/30 TG. Top
8/21/11 RIH with 4-3/4" bit and tubing. Tagged up at 4959', 91' above composite plug at 5050' Attempted to break circulation. Pumped 107 bbls down casing. Pumping 2 5 BPM, returns 1 bbl.
8/22/11 RIH to 5050' Cleaned out sand to 5050'. Drilled out composite plug and circulated clean Tagged at 5235'. Washed out sand to plug at 5400'. Drilled out to 5408'. POOH above perfs
8/25/11 Tagged at 5585' Cleaned out to PBTD at 5835' and circulated clean. Pulled tubing above perfs.
8/28/11 RIH with 5-1/2" nickel plated ASI packer and 2-7/8" inner plastic coated tubing to 4542' Circulated 100 bbls packer fluid. ND BOP. Tested casing to 500 psi, good.
8/29/11 Pressured casing to 500 psi for 30 min, good, as per BLM. Paul Flowers of BLM witnessed test, good. Turned over to production. Copy of MIT attached, original to NMOCD in Hobbs. Completion report to follow

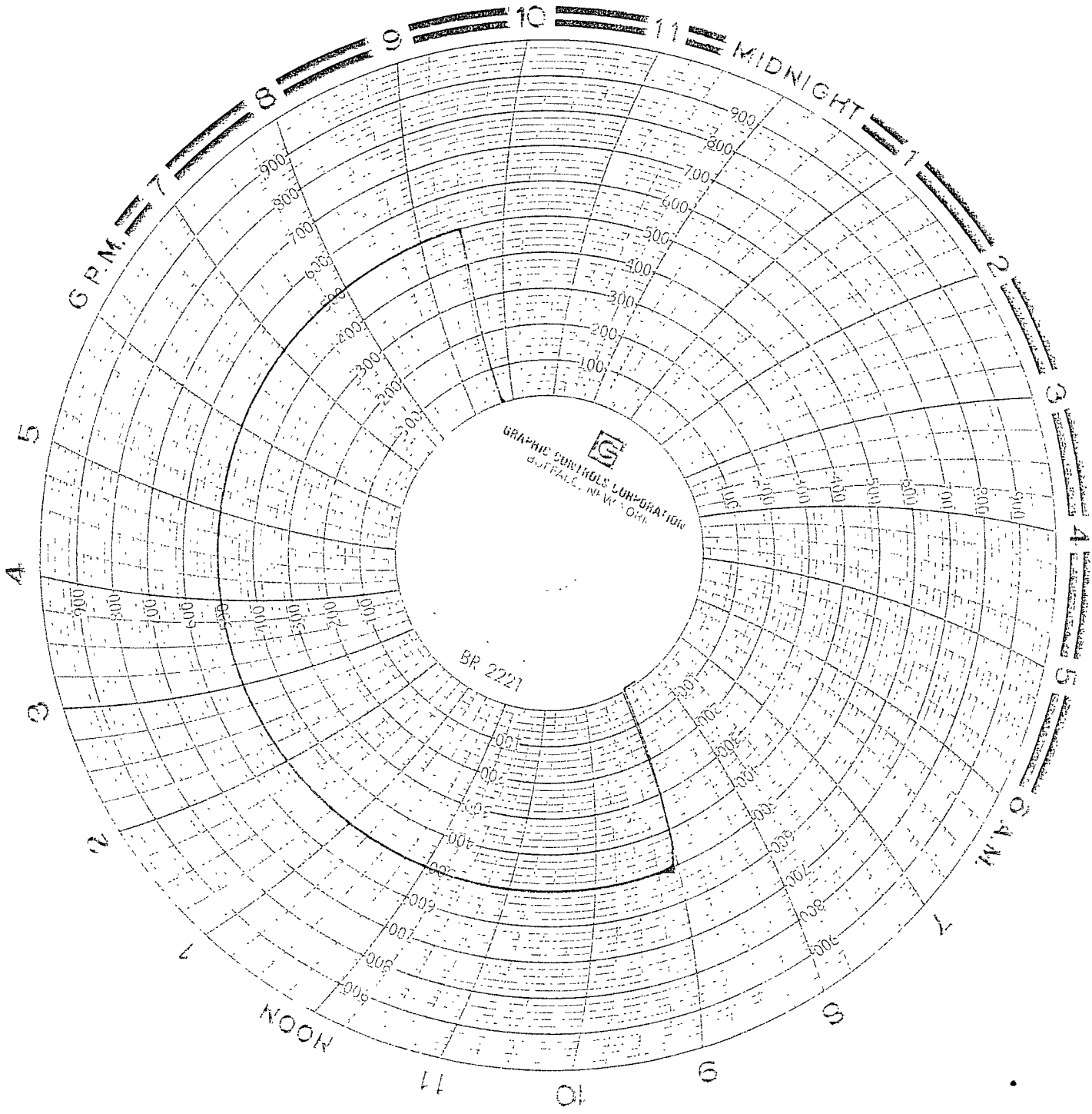
Former Wellname:
Rosemary AJB Federal #1

New Wellname:
Rosemary SWD #1

Effective 8/11

OPER. OGRID NO. 25575
PROPERTY NO. 38875
POOL CODE 96100
EFF. DATE 8-01-2011
API NO. 30-025-31227


Regulatory Compliance Supervisor
September 9, 2011



Paul Flowers

BLM

8/30/2011

Time 1: 10:00 - 11:00
Lecture: 10:00 - 11:00
Case study: 11:00 - 12:00
30 minute break