

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD - Hobbs
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.
HOBBS OCD
DEC 13 2011**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM66927
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No (include area code) Ph: 505-748-4168 Fx: 575-748-4585	8. Well Name and No. DEAN APQ FED 2H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T26S R34E SESW 330FSL 1980FWL		9. API Well No. 30-025-40089-00-X1
		10. Field and Pool, or Exploratory HARDIN TANK Bone Spring
		11. County or Parish, and State LEA 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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Production Start-up
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompletion 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.)

9/7/11 - NU BOP.

9/11/11 - Drilled out DV tool at 8979' and circulated clean. Tested casing to 3100 psi for 30 min, good.

9/12/11 - RIH to DV tool at 8979'. Cleaned up DV tool. RIH to PBTD at 13,981'. Circulated clean.

9/13/11 - Pickled casing with 500g Xylene and 1200g 15% HCL acid. Displaced hole with 3% KCL with Oxygene Scavengers and corrosion inhibitors.

9/14/11 - RIH with CBLVDL/Collar log from 9861'-5200' with 1500 psi of pressure.

9/15/11 - Perforated Bone Spring 13,980'(12), 13,877'(12), 13,756'(12) and 13,644'(12). ND BOP.

10/17/11 - Acidized with 2500g 7-1/2% HCL acid. Spotted another 1000g at same rate. Got acid on spot. Well broke back. Started frac once we got to 1.3# sand, pressure began to climb. Cut sand and flushed sand away. Had 40,000# 40/70 Jordan in formation. Frac with 6290 bbls, total prop

42,703# 40/70 Jordan, 69,174# 20/40 MG Light. Spotted 1000g 15% HCL acid at 13,580'. Perforated

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #124720 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 12/08/2011 (12KMS0245SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 12/02/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 12/10/2011
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 Hobbs <i>Ka</i>		

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 ****

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Additional data for EC transaction #124720 that would not fit on the form

32. Additional remarks, continued

Bone Spring 13,532'(12), 13,420'(12), 13,308'(12) and 13,196'(12). Frac with 6814 bbls, total prop 51,175# 40/70 Jordan, 156,237# 20/40 MG Light.

10/18/11 - Spotted 1000g 15% HCL acid at 13,145'. Perforated Bone Spring 13,094'(12), 12,972'(12), 12,860'(12) and 12,748'(12). Frac with 6099 bbls, total prop 49,777# 40/70 Jordan, 108,843# 20/40 MG Light. Spotted 1000g 15% HCL acid at 12,692'. Perforated Bone Spring 12,636'(12), 12,524'(12), 12,412'(12) and 12,300'(12). Frac with 7252 bbls, total prop 50,525# 40/70 Jordan, 166,066# 20/40 MG Light. Spotted 1000g 15% HCL acid at 12,244'. Perforated Bone Spring 12,188'(12), 12,065'(12), 11,945'(12) and 11,839'(12). Frac with 6626 bbls, total prop 49,117# 40/70 Jordan, 155,587# 20/40 MG Light.

10/19/11 - Spotted 1000g 15% HCL acid at 11,786'. Perforated Bone Spring 11,733'(12), 11,615'(12), 11,521'(12) and 11,404'(12). Frac with 6327 bbls, total prop 49,500# 40/70 Jordan, 165,591# 20/40 MG Light. Spotted 1000g 15% HCL acid at 11,355'. Perforated Bone Spring 11,305'(12), 11,201'(12), 11,071'(12) and 10,956'(12). Frac with 6148 bbls, total prop 38,802# 40/70 Jordan, 157,971# 20/40 MG Light. Spotted 1000g 15% HCL acid at 10,860'. Perforated Bone Spring 10,764'(12), 10,685'(12), 10,590'(12) and 10,450'(12). Frac with 5913 bbls, total prop 40,391# 40/70 Jordan, 138,944# 20/40 MG Light.

10/20/11 - Spotted 1000g 15% HCL acid at 10,364'. Perforated Bone Spring 10,277'(12), 10,182'(12), 10,079'(12) and 9978'(12). Frac with 5442 bbls, total prop 41,755# 40/70 Jordan, 130,235# 20/40 MG Light.

10/30/11 - Circulated hole clean.

11/17/11 - RIH with 4.5" GR and JB to 9200'.

11/20/11 - Perforated 4 holes at 6200'. RU pump truck on 5-1/2" casing, opened up intermediate valve. Pumped 19 bbls and broke circulation up 5-1/2" x 9-5/8". Pumped 135 bbls and shut well in.

11/21/11 - Set 5-1/2" CICR at 6150'. Broke circulation up 5-1/2" x 9-5/8", took 16 bbls, batched up 153 sx Class "C" cement, 11.8#, 2.58 yld, 69.9 bbls slurry. Followed by 100 sx Class "C" tail, 14.8#, 1.32 yld, 23.7 bbls slurry. Displaced cement with 35 bbls fresh water. Est TOC at 4153'. Stung out of retainer.

11/26/11 - Date of 1st production - Bone Spring

11/27/11 - Tagged cement at 6125'. Drilled hard cement to 6150'. Drilled retainer to 6153' and hard cement to 6185'. Circulated hole clean.

11/28/11 - Drilled hard cement to 6210'. Tagged sand at 6305'. Ran CBL/GR/CC Log from 6250' up to surface.

11/29/11 - Tagged sand at 6305'. Circulated hole clean.

11/30/11 - Circulated hole with 2% KCL. ND BOP. 5-1/2" ASI-X profile packer with blanking plug and 2-7/8" 6.5# L-80 tubing at 9100'.

Final Bottomhole location 371'FNL & 1967'FWL (Unit C, NENW) of Section 3-T26S-R34E