

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD 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 19 2012

5. Lease Serial No.
NMNM121957

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: TINA HUERTA
E-Mail: tinah@yatespetroleum.com

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4168

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T21S R32E SESE 330FSL 330FEL

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
CAPELLA BOP FEDERAL 2H

9. API Well No.
30-025-39529

10. Field and Pool, or Exploratory
LOST TANK; DELAWARE

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 Production Start-up
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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 recompleation 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.)

10/1/12 - Tagged stage tool at 4457'. Began drilling and fell out. Circulated hole clean. Pressure tested casing to 2000 psi for 10 min, good. Tagged at 7205'.
 10/2/12 - Drilled cement down to DV tool at 7235', drilled out. Circulated hole clean. Pressure tested casing to 2000 psi, good. Tagged up at 12,675' and drilled cement down to 12,807'. Circulated hole clean.
 10/3/12 - Drilled down to float collar at 12,823' and circulated hole clean. Pickled tubing and casing with 500g Xylene and 1200g 15% HCL. Displaced hole with 280 bbls 2% KCL and packer fluid.
 10/4/12 - Cleaned up stage tool and DV tool. Pressured well up to 1500 psi. Ran CBL/VDL/CC log to surface. Est TOC at surface.
 10/7/12-10/24/12 - Perforated Delaware 8730'-12,822'(384). Acidized with 22,451g 7-1/2% HCL acid. Frac with 1,857,729# 20/40 Jordan sand and 648,369# Super LC sand.
 10/31/12-11/6/12 - Pumped 50 bbls fresh water down 5-1/2" casing. Circulated hole clean down to

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #160218 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 11/29/2012. ()**

Name (Printed/Typed) TINA HUERTA Title REG COMPLIANCE SUPERVISOR

Signature (Electronic Submission) Date 11/13/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved By _____ Title _____ Date _____

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 _____

DEC 17 2012
Kurt Simmons
Bureau of Land Management
CARLSBAD FIELD 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Chen

Additional data for EC transaction #160218 that would not fit on the form

32. Additional remarks, continued

12,824'. 2-7/8" 6.5# L-80 tubing at 8018'.

11/10/12 - Date of 1st production - Delaware

Final Bottomhole location is 371'FNL & 669'FEL (Unit A, NENE) of Section 8-T21S-R32E. Current wellbore schematic attached.

WELL NAME: Capella BOP Fed #2H **FIELD** Lost Tank Delaware
LOCATION: Unit P, 330' FSL and 330' FEL (Surf) Sec 8-21S-32E Lea County

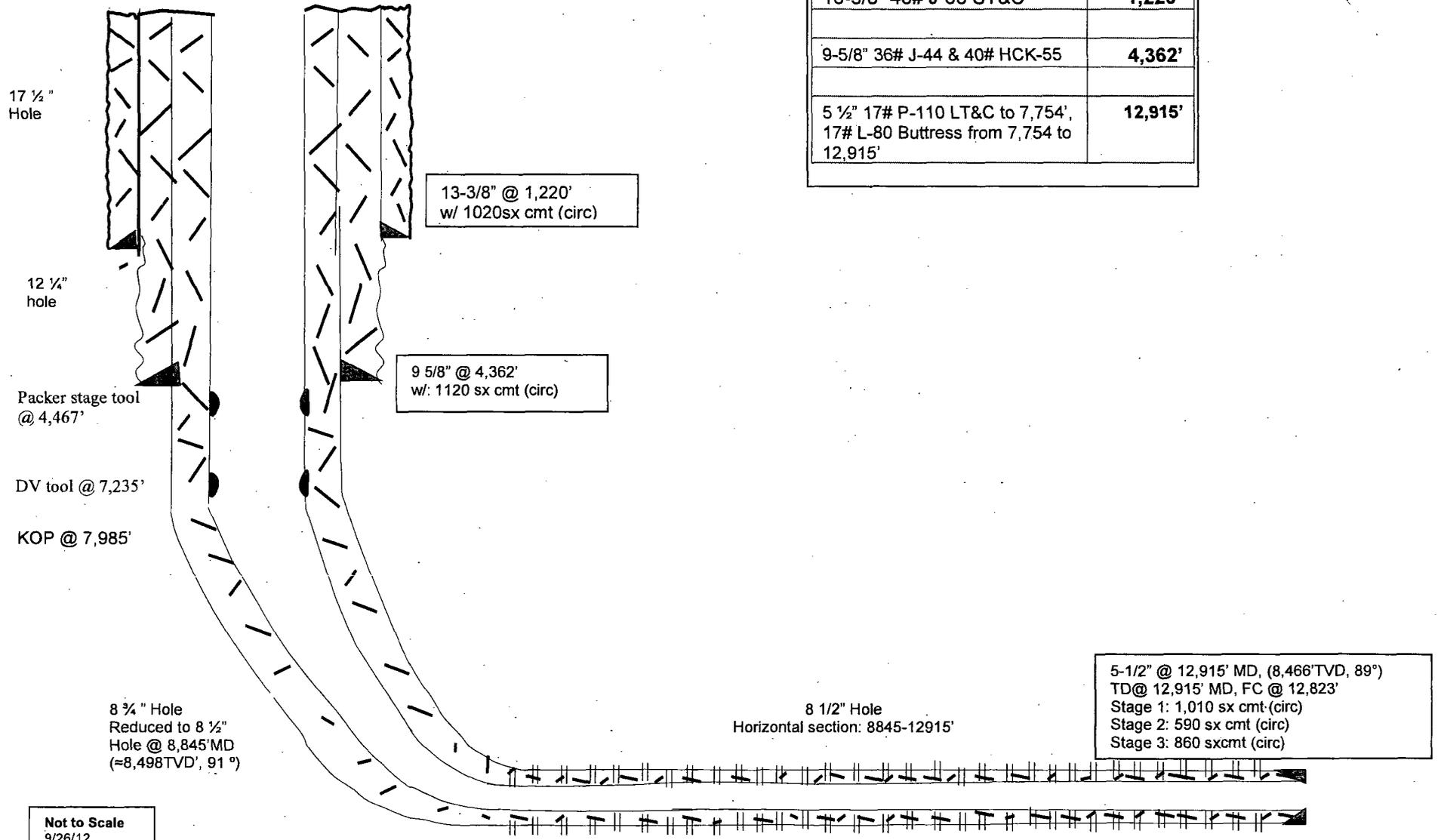
GL: 3,702' **ZERO:** **KB:** 3,720'

SPUD DATE: 8/23/12 **COMPLETION DATE:** _____

CASING PROGRAM

COMMENTS: API No.: 30-025-39529 (Resume drl date: 8/26/12)

13-3/8" 48# J-55 ST&C	1,220'
9-5/8" 36# J-44 & 40# HCK-55	4,362'
5 1/2" 17# P-110 LT&C to 7,754', 17# L-80 Butress from 7,754 to 12,915'	12,915'



13-3/8" @ 1,220'
w/ 1020sx cmt (circ)

9 5/8" @ 4,362'
w/ 1120 sx cmt (circ)

5-1/2" @ 12,915' MD, (8,466'TVD, 89°)
 TD @ 12,915' MD, FC @ 12,823'
 Stage 1: 1,010 sx cmt (circ)
 Stage 2: 590 sx cmt (circ)
 Stage 3: 860 sx cmt (circ)

8 3/4" Hole
 Reduced to 8 1/2"
 Hole @ 8,845' MD
 (=8,498TVD, 91 °)

8 1/2" Hole
 Horizontal section: 8845-12915'

Not to Scale
 9/26/12
 MMFH

STAGE 8			STAGE 7			STAGE 6			STAGE 5			STAGE 4			STAGE 3			STAGE 2			STAGE 1										
8730	8865	9000	9135	9270	9405	9540	9675	9810	9945	10080	10215	10350	10485	10620	10755	10890	11025	11160	11295	11430	11565	11700	11835	11970	12105	12240	12375	12510	12645	12780	12915
8732	8867	9002	9137	9272	9407	9542	9677	9812	9947	10082	10217	10352	10487	10622	10757	10892	11027	11162	11297	11432	11567	11702	11837	11972	12107	12242	12377	12512	12647	12782	12917