

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

JAN 29 2013

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM108971	
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name	
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No. NMNM128965	
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		8. Well Name and No. JEFE BJSJ FEDERAL COM 1H	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 32 T25S R32E SWSE 330FSL 1980FEL		9. API Well No. 30-025-40722-00-S1	
		10. Field and Pool, or Exploratory WILDCAT BS	
		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 recomple 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 recomple 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.)

11/27/12 - NU BOP. Tagged DV tool at 8320 ft. Tested casing to 2000 psi, good.
 11/28/12 - Drilled through DV tool and fell out at 8365 ft. Circulated clean and tested casing to 2000 psi, lost 20 psi in 30 min. Drilled down to 16,835 ft and circulated hole clean.
 11/29/12 - Pressure tested 5-1/2 inch casing from surface to 17,203 ft to 2000 psi and held for 5 min, good. Pressured up to 3000 psi and held for 30 min, good. Pumped down annulus with 500g Xylene, 1200g 15% HCL pickle acid. Displaced hole with 3% KCL. Pressured tested 5-1/2 inch casing again from surface to 17,203 ft to 4915 psi for 30 min, pressure dropped from 4915 psi to 4628 psi in 30 min.
 12/2/12 - Worked scraper across DV tool at 8363 ft.
 12/3/12 - Pressure tested DV tool to 4940 psi and held pressure for 30 min, pressure dropped from 4940 psi to 4918 psi in 30 min.
 12/4/12 - Ran VDL/GR/CC log from 10,751 ft to 3500 ft. TOC at 6290' on production casing.

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

**Electronic Submission #182839 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Hobbs
Committed to AFMS for processing by KURT SIMMONS on 01/18/2013 (13KMS1684SE)**

Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 01/14/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISORY EPS	Date 01/27/2013
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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

KEP

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 ****

FEB 05 2013

Additional data for EC transaction #182839 that would not fit on the form

32. Additional remarks, continued

12/5/12-12/20/12 - Perforate Bone Spring 11,040 ft - 17,200 ft (540). Acidized with 77,000g 15% NEFE HCL acid. Frac with 4,049,891LB 30/50 RCS.

12/30/12 - TIH with 4.61 inch GR/JB and worked through wellhead to 10,100 ft.

1/3/13 - Circulated hole with 3% KCL. Tested annulus to 2000 psi, held good. AS-1 packer with on/off tool and 2-7/8" 6.5lb L-80 tubing at 10,070'.

1/6/13 - Date of 1st production - Bone Spring

Final Bottomhole location is 1963'FSL & 1980'FEL (Unit J, NWSE) of Section 29-T25S-R32E. Current wellbore schematic attached.