

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
NM-96851

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Yeso Energy, Inc.

3a. Address

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 990 FNL 1980 FWL
 SE66 T6S R30E
SCC6 T10S R30E

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

8. Well Name and No.
Morgan Federal #001

9. API Well No.
30-005-20667

10. Field and Pool or Exploratory Area

11. County or Parish, State
Chaves County, NM

12. CHECK THE 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 type="checkbox"/> Other _____	
	<input type="checkbox"/> Change Plans	<input checked="" 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 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 recompletion 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.)

12/28/2012 Move in rig up and install BOP. Moved in remaining equipment. Picked up 5 1/2" scrapper and started picking up workstring.

12/29/2012 Finished picking up workstring. Ran scrapper to 9207'. POOH with tubing. Laid down scrapper and SION.

12/31/2012 RIH with CIBP and set at 9203'. Circulated hole with brine and mud. Spotted 35 sx class H cement on top of CIBP. WOC and tagged cement at 8885' POOH and SION.

1/1/2013 RIH to 7614' and spotted 25 sx class H cement. WOC and tagged at 7404'. POOH to 5126' and spotted 25 sx class H cement.

1/2/2013 RIH and tagged cement at 4930'. POOH to 2812' and spotted 25 sx class C cement. WOC and tagged at 2536'. POOH to 1580' and pumped 25 sx class C cement. POOH and SION.

1/3/2013 RIH and tagged cement at 1293'. POOH to 160' and circulated cement to surface. Rigged down and cut off wellhead. 5 1/2" X 8 5/8" annulus had fluid to surface but no cement. Water was continuously trickling over cut off 8 5/8" casing stub. Called Hobbs OCD office and it was decided to "one inch" the 5 1/2" X 8 5/8" annulus from 60' to surface. Ran 1" tubing to 60' and pumped class C cement to surface. Monitored annulus after pumping cement and it stopped running over. Installed dryhole marker, cut off anchors, and filled in cellar.

1/4/2013 Moved rig and equipment off location.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) _____

Signature _____ Title _____

_____ Date _____

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

_____ 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.