

HOBBS OCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

JAN 21 2014
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.

RECEIVED
SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No. NMNM59392
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. LUSK AHB FEDERAL 10H ✓
9. API Well No. 30-025-40990-00-X1 ✓
10. Field and Pool, or Exploratory LUSK
11. County or Parish, and State LEA COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS E-Mail: laura@yatespetroleum.com	
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-1471
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R32E NWNW 150FNL 660FWL ✓	

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 Drilling Operations
	<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.)

10/18/13 - Moved in Rathole Service and spudded well at 9:20 am with rat hole. Drilled 36 inch hole and set 30 inch conductor at 40 ft. Cemented with 3.5 yards of redi-mix to the surface. Waiting on rotary tools.

10/26/13 - Resumed drilling with rotary tools at 2:00 pm. Notified Marlin Deaton with BLM of intent to resume drilling.

10/29/13 - TD 26 inch hole to 1145 ft. Set 20 inch 106.5# and 94# J-55 BT&C casing at 1,145 ft. Cemented with 2060 sacks Class C + 3 lb/sx D042 + 0.2 percent D046 + 0.125 lb/sx D130 + 0.01 percent D177 + 0.1 percent D201 (yld 1.34, wt 94.00). WOC. NU BOP. Tested casing to 600 psi. Pressure dropped 50 lbs in 30 mins. Test good. 11/2/13

- WOC 58 hours and 15 mins. Reduced hole to 17-1/2 inch and resumed drilling.

11/6/13 - TD 17-1/2 inch hole at 2,860 ft. Set 13-3/8 inch 68# and 54.5# J-55 LT&C and BT&C casing at 2,859 ft. Cemented with 1,785 sacks Class C + 0.125 lbs/sx D130 + 5.0 percent D44 + 0.2 percent

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #230802 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by JOHNNY DICKERSON on 01/10/2014 (14JLD1064SE)	
Name (Printed/Typed) LAURA WATTS	Title REGULATORY REPORTING TECHNICIA
Signature (Electronic Submission)	Date 12/31/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISORY EPS	Date 01/20/2014
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	

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 ****

JAN 27 2014

Additional data for EC transaction #230802 that would not fit on the form

32. Additional remarks, continued

D46 + 3.0 lb/sx D42 + 0.3 percent D201 (yld 1.76, wt 13.50). Tailed in with 180 sacks Class C + 0.125 lb/sx D130 + 5.0 percent D44 + 0.2 percent D46 + 3.0 lb/sx D42 + 0.3 percent D201 (yld 1.38, wt 14.80). Tested casing to 1200 psi for 30 mins, good test. WOC 52 hours 15 mins. Cement circulated to surface. Reduced hole to 12-1/4 inch and resumed drilling.
11/13/13 - TD 12-1/4 inch hole at 4,789 ft. Set 9-5/8 inch 40# and 36# HCK-55 and J-55 LT&C casing at 4,789 ft. Stage tool set at 2,976 ft. Cemented stage 1 with 450 sacks Class D + 0.125 lb/sx D130 + 3.0 lb/sx D20 + 5.0 lb/sx D44 + 0.2 lb/sx D46 + 5.0 lb/sx D42 + 0.35 lb/sx D13 + 0.35 lb/sx D65 (yld 1.96, wt 12). Tailed in with 180 sacks 50/50 Poz C + 0.125 lb/sx D130 + 5.0 lb/sx D44 + 0.2 lb/sx D46 + 3.0 lb/sx D42 + 0.1 percent D65 (yld 1.36, wt 14.2). Circulated 57 sacks to pit. Cemented stage 2 with 650 sacks Class D + 0.125 lb/sx D130 + 1.0 lb/sx D20 + 5.0 lb/sx D44 + 0.2 lb/sx D46 + 3.0 lb/sx D42 (yld 1.76, wt 13.5). Tailed in with 100 sacks Class D + 0.125 lb/sx D130 + 5.0 lb/sx D44 + 0.2 lb/sx D46 + 3.0 lb/sx D42 + 0.3 lb/sx D201 (yld 1.38, wt 14.8). No cement to surface. BLM was present. Ran 1 inch cement to surface with 390 sacks Class C (yld 1.33, wt 14.80).

CONTINUED ON ATTACHED SHEET

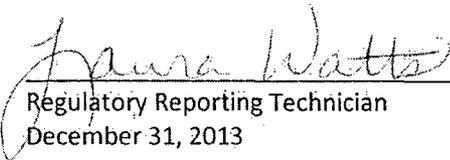
Tested casing above packer stage tool to 1500 psi for 30 mins. Drilled packer and stage from 2,978 ft to 3,008 ft. Tagged cement at 4,071 ft. Tagged and drilled cement from 4,701 ft to 4,730 ft. Tested casing below packer seat tool to 1500 psi from 30 mins. WOC 49 hours 40 mins. Reduced hole to 8-3/4 inch and resumed drilling.

11/25/13 – Drilled to 9,949 ft reduced hole to 8-1/2 inch and resumed drilling directional.

12/3/13 – Reached TD 8-1/2 inch hole to 14,260 ft.

12/5/13 – Set 5-1/2 inch 17 lb P-110 buttress at 14,260 ft. Diversion tool/stage tool set at 7,228 ft. Float collar set at 14,211 ft. Cemented stage 1 with 1400 sacks 50/50 Poz + 0.5 percent D112 + 0.2 percent D46 + 30.0 percent D153 + 0.7 percent D827 + 0.1 percent D201 + 75 lb/sx D65 + 1.5 percent D167 (yld 1.82, wt 13). Circulated 246 sacks to pit. Cemented stage 2 with 250 sacks 50/50 Poz + 0.13 lb/sx D130 + 2.5 percent D20 + 29 lb/sx D33 + 5.0 percent D44 + 0.2 percent D46 + 61 lb/sx D961 + 0.1 percent D13 + 0.2 percent D65 (yld 1.99, wt 12.6). Tailed in with 280 sacks 50/50 Poz + 42 lb/sx D33 + 5.0 percent D44 + 0.2 percent D46 + 47 lb/sx D961 + 0.1 percent D13 + 0.1 percent D201 (yld 1.35, wt 14.2). KOP at 9,204 ft.

12/7/13 – Rigged released at 4:30 am.


Regulatory Reporting Technician
December 31, 2013