

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS  
RECEIVED

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS  
*Do not use this form for proposals to drill or re enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.*

NOV 12 2009

HOBBSOCD

|   |   |   |
|---|---|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2.  |   | 5 Lease Serial No<br>NM-121957                              |
| 1 Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 6 If Indian, Allottee or Tribe Name<br>N/A                  |
| 2 Name of Operator<br>Yates Petroleum Corporation   |   | 7 If Unit or CA/Agreement, Name and/or No.<br>N/A           |
| 3a Address<br>105 S. 4th St., Artesia, NM 88210   | 3b Phone No (include area code)<br>(575) 748-1471 | 8 Well Name and No<br>Capella BOP Fed 1                     |
| 4 Location of Well (Footage, Sec., T, R, M, OR Survey Description)<br>330' FSL & 330' FWL Sec 9-T21S-R32E (SWSW)                |   | 9 API Well No.<br>30-025-39528                              |
|   |   | 10 Field and Pool or Exploratory Area<br>Lost Tank Delaware |
|   |   | 11 County or Parish, State<br>Lea, 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       | Intermediate Casing                       |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

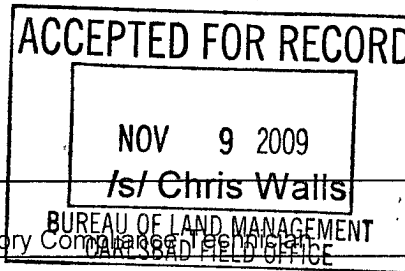
13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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.

10/21/09 Reduced hole to 11" and resumed drilling.

10/23/09 TD 11" hole to 4355'. Set 8-5/8" 32# K-55 ST&C casing @ 4355'.

10/24/09 Cemented w/1100 sx 35:65 Poz "C" w/additives (yld 2 08, wt 12.6). Tailed in w/200 sx Class C w/additives (yld 1.33, wt 12.8). Cement circulated to surface. Tested blind & pipe rams, choke manifold & kelly to 3000/250. Annular to 1500/250. All tested ok. Tagged cement @ 4300'.

10/25/09 Reduced hole to 7-7/8" and resumed drilling.



|  |   |
|--|---|
| 14 I hereby certify that the foregoing is true and correct<br>Name (Printed/Typed)<br>Allison Barton | Title<br>Regulatory Compliance Specialist |
| Signature<br><i>Allison Barton</i>   | Date<br>10/27/09                          |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|   |                             |                    |
|---|-----------------------------|--------------------|
| Approved by<br><i>[Signature]</i>   | Title<br><i>Yates - OCB</i> | Date<br>11-17-2009 |
| 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             |

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.