

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.JAN 05 2011
HOBBSOCC

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-105564
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name NA
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 575-748-1471	7. If Unit or CA/Agreement, Name and/or No. NA
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Surface - 1980'FSL & 1980'FWL of Section 21-T25S-R36E (Unit K, NESW) BHL - 4912'FSL & 2008'FWL of Section 21-T25S-R36E (Unit C, NENW)		8. Well Name and No. Herkimer BQF Federal #1H
		9. API Well No. 30-025-20381
		10. Field and Pool or Exploratory Area Jal; Delaware, West
		11. County or Parish, State Lea County, New Mexico

368'FSL 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 checked="" 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 <u>Completion</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Operations</u>
	<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 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.

- 11/4/10 TIH with bit and scraper to 6802'. Worked scraper through DV tool. Tagged float collar at 10,100'. Circulated clean. Tested casing to 3000 psi for 30 min, held good.
- 11/7/10 Pickled down annulus at 10,100' with 500g Xylene and 1200g 15% HCL. Spotted 2500g 7-1/2% NEFE at 10,068'. TIH with GR/CCL/CBL and stopped at 7800'. Cement good up to 6800'. Pump log up to surface.
- 11/8/10 Perforated Delaware 10,100', 9890', 9659' and 9589'. Frac with 131,292g linear and x-linked gel, 136,743# of 20/40 White in formation.
- 11/11/10 Spotted 2500g 7-1/2% HCL. Set a flow through plug at 9480'. Perforated Delaware 9370', 9150', 8930' and 8710' for a total of 48 holes. Frac with 204,288g 30# of linear and x-linked gel and 195,000# of 20/40 White and 85,000# of 20/40 RCS. Spotted 2500g 7-1/2% HCL. Set a flow through plug at 8600'. Perforated Delaware 8490', 8270', 8050' and 7830' for a total of 48 holes. Frac with 201,822g 30# linear and x-linked gel with 195,000# of 20/40 White and 159,274# of 20/40 RCS.

CONTINUED ON NEXT PAGE:

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta		Title Regulatory Compliance Supervisor	
Signature <i>Tina Huerta</i>		Date November 29, 2010	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
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 <u>/s/ Dustin Winkler</u>	
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			
(Instructions on page 2)			

ACCEPTED FOR RECORD
JAN 3 2011
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Yates Petroleum Corporation
Herkimer BQF Federal #1H
Section 21-T25S-R36E
Lea County, New Mexico
Page 2

Form 3160-5 continued:

11/14/10 Run GR/JB to 6760'. Set an RBP at 6745'. Cut 4-1/2" casing at 6722'. Knock out seal. Pull slips. NU BOP.

11/15/10 Tagged up at 40' high circulate and wash down to RBP, could not latch up on RBP.

11/19/10 Latched up to RBP, pulled RBP up 20'. RBP was loose, then hung up 5' from liner top. Could not get loose. Milled over RBP 1-1/2'. Latched RBP, worked on RBP.

11/20/10 Cut approximately 2' over packer. Hung up. Worked loose.

11/21/10 Pumped down annulus - 4 BPM @ 0 psi. Continued working pipe. Moved downhole 1', slight movement. Pulled up, RBP dragging. Pulled out of liner and TOOH. Had RBP. TIH with 2-3/8" tubing to 6400'. Circulated hole with fresh water. ND BOP.

11/24/10 Date of 1st production - Delaware



Regulatory Compliance Supervisor
November 29, 2010