

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM78214 ✓
2. Name of Operator ✓ YATES PETROLEUM CORPORATION Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) ✓ Sec 9 T22S R24E NENE 660FNL 660FEL		8. Well Name and No. ANEMONE ANE FEDERAL 5 ✓
		9. API Well No. 30-015-31323 ✓
		10. Field and Pool, or Exploratory WILDCAT; BONE SPRING ✓
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 recompletable 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 recompletable 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.)

Yates Petroleum Corporation plans to plugback and recompletable this well as follows: MIRU any safety equipment as needed. NU BOP. RIH with GR/JB to 7980'. Set a CIBP at 7974' and cap with 100 sx Class "H" cement. Load casing with 3% KCL water and a non-ionic surfactant. Perforate Bone Spring 6696'-6740'(45). Acidize with 1500g iron control 7-1/2% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load annulus and monitor during the job. Drop 60 ball sealers spaced evenly throughout the acid. Flush to bottom perf with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac POOH with tubing. Detailed frac information and wellbore schematics attached.

RECEIVED

MAR 22 2012

NMOCD ARTESIA**Accepted for record
NMOCD****SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #132196 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 03/05/2012
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____
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.	

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

A 3/26/2012

**Accepted for record
NMOCD**

Anemone ANE Federal # 5

660' FNL & 660' FEL

Sec 9, T22S, R24E,

Eddy County New Mexico

Recompletion Procedure

TUBING: 2.875" 6.5# J-55

burst 7,260 psi *80% = 5,808 psi
collapse - 7,680 psi *80% = 6,144 psi

CASING: 7" 26# N-80 & J-55,

burst 4,980 psi *80% = 3,984 psi
collapse - 4,320 psi *80% = 3,456 psi

1. MIRU WSU and all safety equipment necessary. NU 5K head with a full opening valve and BOP. POOH with production equipment visually inspect the tubing and replace any bad or worn joints.

2. RU WL to run a gauge ring and junk basket run to 7,980'. WL set a CIBP at 7,974' and cap it with 100 sx of class "H" cement. Circulate and load the casing with 3% KCL water and a non-ionic surfactant.

Bone Springs Sand Completion

3. RU WL and lubricator and correlate to Schlumberger open hole logs. Perforate in the following interval with 1 JSPF, 60 degree phasing and 0.42" deep penetrating charges.

6,696' - 6,740'
45 shots total
Net Pay = 60'

4. TIH with 2.875" tubing and packer. Set the packer with O/O tool at @ 6,446'. Acidize with 1,500 gal. Iron control 7.5% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load the annulus and monitor during the job. Drop 60 ball sealers spaced evenly throughout the acid. Flush to bottom perf. with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac POOH with the 2.875" tubing.

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant		Proppant Type
			Stage	Cumulative	
1	30000.	0.00	0.	0.	----
2	15000.	1.00	15000.	15000.	20/40 Ottawa
3	17500.	2.00	35000.	50000.	20/40 Ottawa
4	20000.	3.00	60000.	110000.	20/40 Ottawa
5	10000.	4.00	40000.	150000.	20/40 Ottawa
6	12500.	4.00	50000.	200000.	20/40 Super LC
7	+/-10700.	0.00	0.	0.	----

Estimated Surface Treating Pressure @ 60 BPM = 2,765 psig.
Maximum allowable pressure is 3,800 psig.

Fluid Specifications: A 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. Test the fluid with and without the Resin Activator. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

YPC to furnish: 6 clean frac tanks with 480 BBL of 3% KCL water in each.

Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

5. Shut the well in for 8 hours to allow the gel to break and the resin to cure. Flow the well back if it will flow. TIH with notched blade bit and 2.875" tubing to 6,900', to ensure there is no sand across the perforated interval. POOH.

6. TIH with TAC and 2.875" production tubing. Swab the well until it cleans up, then TIH with pump and rods. Hang the well on and turn the well over to the production department.

WELL NAME: Anemone ANE Federal No. 5 FIELD: Indian Basin Penn
 LOCATION: 660' FNL & 660' FEL Sec 9-22S-24E Eddy Co. NM
 GL: 4,195' ZERO: KB: 4,212'
 SPUD DATE: 10-02-00 COMPLETION DATE: 12-1-04
 COMMENTS: API No. 30-015-31323

CASING PROGRAM

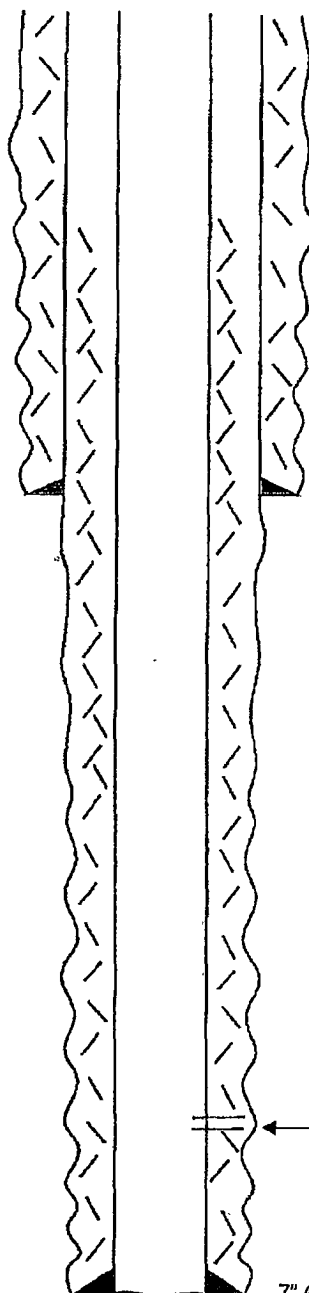
9-5/8" 36# J55		1,790'
7" 26# L-80 LT&C	1,443'	
7" 26# J-55 LT&C	5,462'	
7" 26# L-80 LT&C	2,356'	
7" 26# M/P LT&C	1,350'	10,598'

Before

Tops:

San Andres	1,322'
Glorietta	2,746'
Bone Springs	3,190'
3 rd BS	7,052'
Wolfcamp	7,388'
Upper Penn	7,975'
Strawn	8,894'
Atoka	9,508'
Morrow	10,030'

14-3/4" Hole



9-5/8" @ 1,790'
w/ 1,500 sx
1" ed to surface w/ 239 sx.

8-3/4" Hole

Canyon Perfs: 8,024' - 8,099' (62)
12-15-2000 acidized with 43,100 gal 20% HCl

PBD 10,555'
TD 10,598'

7" @ 10,598'
1st Stage w/ 500 sx
2nd Stage w/ 970 sx

Not To Scale
1/16/12
JMH

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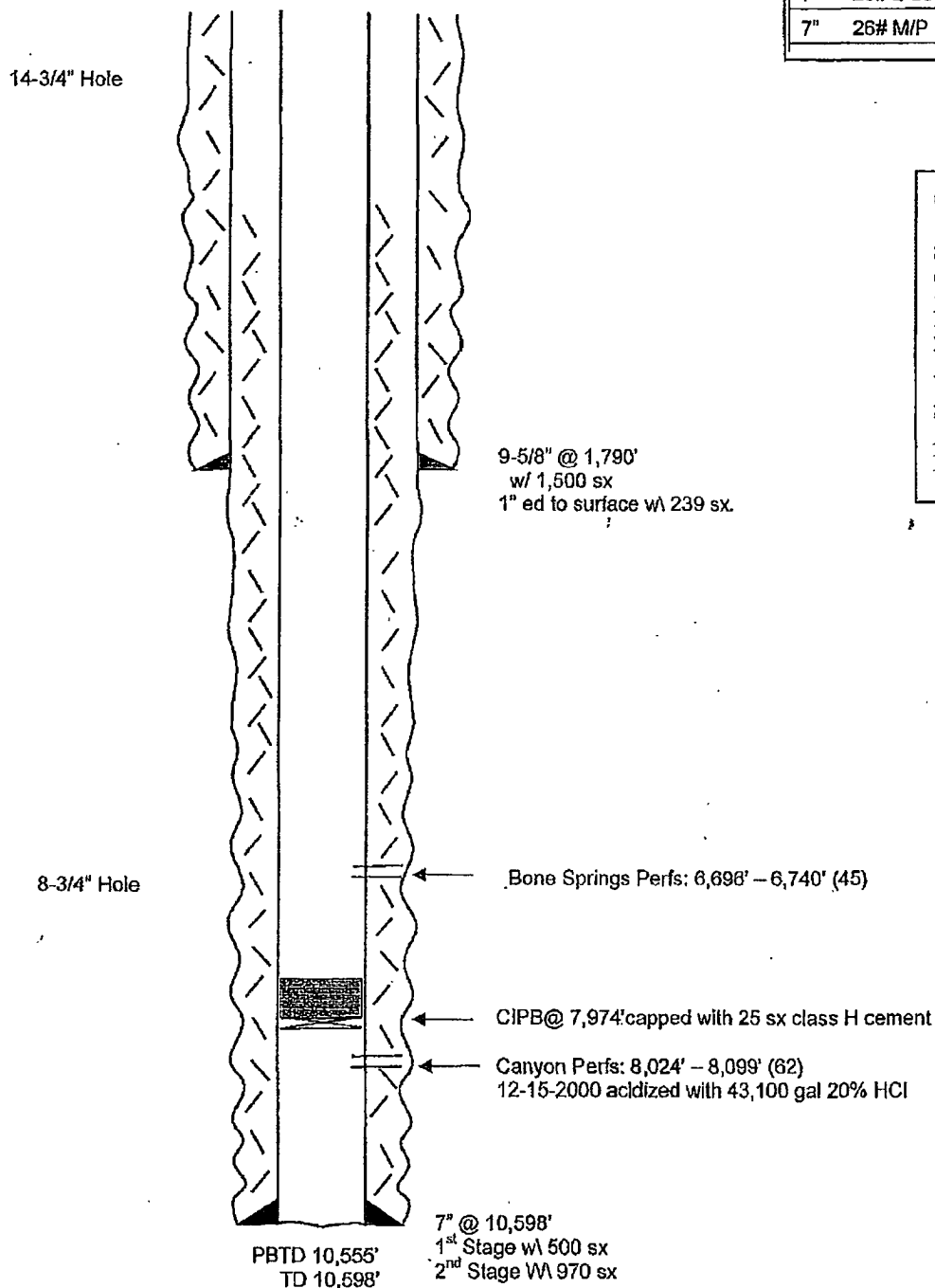
CASING PROGRAM

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After

Tops:

San Andres	1,322'
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Bone Springs	3,190'
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Wolfcamp	7,388'
Upper Penn	7,975'
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Not To Scale
 1/16/12
 JMH

Conditions of Approval

Yates Petroleum Corporation
Anemone ANE Federal - 005
API 3001531323
March 14, 2012

1. Notify 24 hours before plug back procedures BLM phone 575-361-2822. The procedures are to be witnessed.
2. Surface disturbance beyond the existing pad must have prior approval.
3. A closed loop system is required. The operator shall properly dispose of drilling contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
4. H₂S monitoring equipment to be used on location and functional.
5. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
6. All waste (i.e. drill cuttings and fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
7. Provide BLM with an Adobe Acrobat Document cement bond log record from 7000 or below to top of cement before wellbore work above 6000 is attempted.
8. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels of 9 lb/gal brine.
9. Spot 75 sacks class H cement plugs a minimum of >50' below and >50' above the top of the Morrow 10030. BLM PET witness is to run tbg tally and agree to cement placement. Sample plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
10. Tag CIBP at 7974 prior to pumping cement. The 100sx class H cap capping the CIBP is to be sampled and tagged and/or pressure tested if requested by the BLM PET witness.
11. The 7" 26# J55 LT&C csg reported set from 1443 to 6905 has a 100% burst rating of 4980 psig and collapse of 4320 psig new. The proposed perforations are to be in this segment and frac pressure exceeds 70% of burst per Onshore Order 2.
12. The operator will be required to tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. Results of the tracer to be reported on the workover subsequent sundry Form 3160-5.
13. File the plug back and acid treatment subsequent sundry within 30 days of completion. File the subsequent sundry for the frac separately if it is completed as much as 20 days later.
14. Submit BLM Form 3160-4 completion report within 30 days of completion.
15. Workover approval is good for 90 days (completion to be within 90 days of approval).

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleteness in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompleteness in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§ 43 CFR 3160.0-9 (c)(1) Information collection.

(c)(1) The information collection requirements contained in part 3160 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned the following Clearance Numbers:

Operating Forms

Form No.	Name and filing date	OMB No.
3160-3	Application for Permit to Drill, Deepen, or Plug Back—Filed 30 days prior to planned action	1004-0136
3160-4	With Completion of Recompleteness Report and Log—Due 30 days after well completion	1004-0137
3160-5	Sundry Notice and Reports on Wells—Subsequent report due 30 days after operations completed	1004-0135

The information will be used to manage Federal and Indian oil and gas leases. It will be used to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. Response is mandatory only if the operator elects to initiate drilling, completion, or subsequent operations on an oil and gas well, in accordance with 30 U.S.C. 181 *et seq.*

§ 3162.4-1 (c) Well records and reports.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.