Form 3160-5 (April 2004)

UNITED STATES N.M. OII Cons. DIV-DIST. 2 DEPARTMENT OF THE INTERIOR 1301 VALUE CAPACITY AND ADDRESS ASSESSMENT OF THE INTERIOR 1301 VALUE CAPACITY ASSESSMENT OF THE I

OMB No. 1004-0135

		MENT OV 1 WW. MISCHEL		Fill Ex	xpires March 31, 2007	
Do not use this form for proposals to drill or re enter an					5. Lease Serial No. NM-95 2 626	
					ee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side					7. If Unit or CA/Agreement, Name and/or No.	
Type of Well Oil Well X Gas	Well Other	RECEI	\ <u>È</u> Û	8. Well Name and	d No.	
2. Name of Operator		OCT 2 1	2005	Blondie BHI	Federal #2	
Yates Petroleum Corporation				9. API Well No.		
3a. Address		3b. Phone No. (include area code)	I ROMA	30-015-0001	10	
105 S. 4th Str., Artesia, NM	505-748-1471 10. Field and Pool, or Exp		• •			
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)					Undes. Rocky Arroyo; Morrow	
				11. County or Par	rish, State	
1980'FNL & 660'FEL of Section			···	· · · · · · · · · · · · · · · · · · ·	y, New Mexico	
12. CHECK APPROPR	LIATE BOX(ES) TO I	NDICATE NATURE OF NO	ΓΙCE, RE	PORT, OR O	THER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off	
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity	
	Casing Repair	New Construction	Recomplete		X Other Re-entry	
Subsequent Report	Change Plans	Plug and Abandon	Temporarily	A board on		
	Change Plans	Flug and Abandon	1 emporatuy		——————————————————————————————————————	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Dispo			
Describe Proposed of Completed Operation (cle If the proposal is to deepen directionally or reco Attach the Bond under which the work will be	mplete horizontally, give subsurf	ace locations and measured and true vertical of	lepths of all pe	ertinent markers and :	zonesct 2 n 2005	
following completion of the involved operations testing has been completed. Final Abandonm	· ·			1 1	2 4 4 11	
testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been comp determined that the site is ready for final inspection.)					ALEXIS C. SWOBODA	
9/40/0E 0/29/0E				PE	TROLEUM ENGINEER	

8/10/05 - 9/28/05

Prepare location for re-entry. TIH with 12-1/4" mill tooth bit and prep to drill out top cement plugs. Drilled to 50'. Bit started bouncing like it was on metal or top of 8-5/8" casing. TOH with 12-1/4" bit and TIH with 7-7/8" bit and drilled to 52'. Unable to tag top of casing with bit. Drilled cement to 67'. Tagged 8-5/8" casing to 68'. Circulated hole clean. TOH with 12-1/4" bit. TIH with 2 jts 8-5/8" 32# casing and tagged at 68'. Attempted to screw in 8-5/8" collar. Dropped down 4' after turning approximately 3 times. Possible split collar. Impression block shows casing possibly being shot and split. TIH with 7-7/8" bit and tag at 536'. Lost circulation at 605'. Shot 8-5/8" casing collar at 101' four separate times. Casing collar would not back off. NOTE: Casing may be off center with cement or fill behind casing. Impression block shows 8-5/8" casing is still not milled clean on one side. Tagged top of 8-5/8" casing at 70'. Worked 1" down between 8-5/8" and 13-3/8" casing. Unable to circulate past 82'. Cement 8-5/8" x 13-3/8" annulus with 100 sx Class "C" with 4% CaCl2. Circulated 10 sx to pit. TIH with 7-7/8" bit and tag at 50'. Tagged at 450'. Lost circulation at 453'. Drilled on steel at 632' with some circulation. Unable to make any hole. Mill stuck in hole at 633'. Set packer at 400'.

		CONTIN	UED ON NEXT PAGE:				
14. I hereby certify that the foregoing is true and correct	T T						
Name (Printed/Typed)	Ì						
Tina Huerta 💃		Regulatory Compliance Supe	npliance Supervisor				
Signature () Signature	Date	October 10, 2005					
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 warr certify that the applicant holds legal or equitable title to those rights in the subject 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 willbully to make to any department or agency of the United							
States any folco fictitious or fraudulant statements or representations as to any matter within its jurisdiction							

Yates Petroleum Corporation Blondie BHI Federal #2 Section 29-T21S-R22E Eddy County, New Mexico

Form 3160-5 continued:

Pressure tested 8-5/8" casing from 400' to surface. Tested to 800 psi, held good. TOH with packer. Tagged fluid at 400'. Dumped 10 yds 7 sx cement slurry down 8-5/8" casing. Squeeze cement with reverse unit pump at 1800 psi. TIH with 7-7/8" bit and tagged TOC at 60'. Circulated cement from 60' to 380'. Circulate hole clean. Lost circulation at 633'. Drilled and circulated down from 1868'-3334'. Started drilling new formation at 1:00 PM 8/31/05. Drilled new hole from 3908'-4025'. Tested annulus to 750 psi and held good from 476' to surface. Bad casing from 476'-697'. Pumped 25 sx Class "C" cement with 3% CaCl. Set 100' cement plug from 1100'-1202'. Tagged cement plug at 1100'. Pumped 300 sx Class "C" cement with 3% CC on the first 200 sx and 4% CC on last 100 sx. Pump cement down to a depth of 400'. Did not tag any cement. Re-squeeze with 300 sx Class "H" cement with LCM and 2% CC. Pumped 450 sx Class "C" cement with Celloflake, A-10, GW-27, FP 6L with 4% CC. Displace down 8-5/8" casing to a depth of 200'. Cemented down 8-5/8" casing with 200 sx Class "H" with 1.2% DS-31 + 3# LCM + 1/4# Celloflake and 400 sx "H" + 2% CC + 8# LCM + 1/4# Celloflake. Unable to squeeze. Drilled new formation from 4025' to 4403'. Circulated hole clean. Tag TD at 4403'. Set 8-5/8" 32# CIBP at 1700'. Shut down waiting on rotary tools.