

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No 1004-0135  
Expires November 30 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

\$

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		MAY - 9 2008	
2 Name of Operator Yates Petroleum Corporation 25575		OCD-ARTESIA	
3a Address 105 South Fourth Street, Artesia, NM 88210	3b Phone No (include area code) (575) 748-1471		
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL and 760' FEL Surface Location, Section 4, T17S-R24E 660' FNL and 760' FEL Bottom Hole Location		5 Lease Serial No NM-7805	
		6 If Indian, Allottee or Tribe Name	
		7 If Unit or CA/Agreement, Name and/o	
		8 Well Name and No Flick BIQ Federal #1H	
		9 API Well No 30-015-35607	
		10 Field and Pool, or Exploratory Area Eagle Creek, Wolfcamp	
		11 County or Parish, State Eddy County, New Mexico	

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

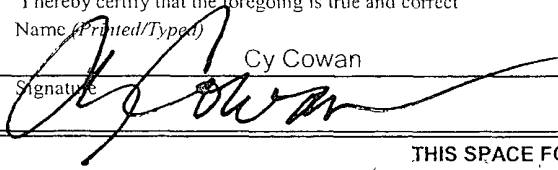
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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>Extend</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operations (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.)

Yates Petroleum Corporation wishes to extend the captioned well's APD for two (2) years to May 8, 2010. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Wolfcamp formation to meet the OCD's requirements for the submission of a contingency plan per Rule 118.

Thank you.

APPROVED FOR 24 MONTH PERIOD  
ENDING 5-8-10

14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cy Cowan	Title Regulatory Agent/Land Department
Signature 	Email cy@ypcnm.com
	Date April 8, 2008
THIS SPACE FOR FEDERAL OR STATE USE	
Approved by <u>/s/ Don Peterson</u>	Title Date MAY 08 2008
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 CARLSBAD FIELD OFFICE
Title 18 U.S.C. Section 1001, 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 reverse)

C-102 attached C-144 attached

CARLSBAD FIELD OFFICE

Accepted for record - NMOCB

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35607	Pool Code 96622	Pool Name Eagle Creek, Wolfcamp
Property Code	Property Name FLICK "BIQ" FEDERAL	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3737

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	17S	24E		660	SOUTH	760	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	4	17S	24E		660	NORTH	760	EAST	EDDY
Dedicated Acres 320 E/2	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>BOTTOM HOLE LOCATION</b> Y=680300.6 N X=421992.1 E LAT.=32.869971 N LONG.=104.587404 W</p>	<p><b>PROJECT AREA</b></p>	<p><b>PRODUCING AREA</b></p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 4/13/07 Signature Date</p> <p>Cy Cowan, Regulatory Agent Printed Name</p>
<p><b>GEODETC COORDINATES</b> NAD 27 NME SURFACE HOLE LOCATION Y=676319.9 N X=422027.6 E LAT.=32.859029 LONG.=104.587257 (NAD-27)</p>			<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>1/25/2007 Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>[Signature]</i> Herschell L. Jones 3640 Certificate No. 3640 GENERAL SURVEYING</p>

Dr., Hobbs, NM 88240

nd Avenue, Artesia, NM 88210

Brazos Road, Aztec, NM 87410

LIV  
S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to  
appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe  
office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471

e-mail address: \_\_\_\_\_

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name: Flick BIO Federal #1H API #: 30-015-35607 U/L or Qtr/Qtr SE/SE Sec 4 T 17S R 24E

County: Eddy Latitude N 32 51' 32.9" Longitude W 104 35' 16.0" NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined X Unlined ☐

Liner type: Synthetic X Thickness 12 mil Clay ☐ Volume 20,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	No	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	0
	1000 feet or more	(0 points)	
Ranking Score (Total Points)			0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.


I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit X or an (attached) alternative OCD-approved plan ☐.

Date: 4/12/07

Printed Name/Title: Cy Cowan, Regulatory Agent

Signature: 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: 

Date: \_\_\_\_\_

Printed Name/Title: \_\_\_\_\_ Signature: 

Jim W. Green  
District II Supervisor

# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corporation
LEASE NO.:	NM7805
WELL NAME & NO.:	Flick BIQ Federal #1H
SURFACE HOLE FOOTAGE:	660' FSL & 760' FEL
BOTTOM HOLE FOOTAGE:	660' FNL & 760' FEL
LOCATION:	Section 4, T17S., R24E., NMPM
COUNTY:	Eddy County, New Mexico

## I. DRILLING

### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of **4 hours** in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

1. **Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

### B. CASING

**Note: All casing shall meet or exceed API standards for new casing. Onshore Order #2. III. B. 1. a (Any casing substitutions must have prior approval)**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**  
**Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.**

**Possible lost circulation in the Grayburg and San Andres formations.**  
**Possible high pressure gas burst in the Wolfcamp formation.**

1. The **13-3/8 inch** surface casing shall be set at **approximately 350 feet** and cemented to the surface.

**Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.

**Approved for fresh water/air mist mud, but not air drilling.**

2. The minimum required fill of cement behind the **9-5/8 inch** intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a-d above.

**Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**

3. The minimum required fill of cement behind the **7 inch** intermediate casing (**Which will be set if hole conditions warrant**) is:

☒ Cement shall extend a minimum of 200' inside the 9-5/8 inch intermediate casing.

**If 75% or greater lost circulation occurs while drilling the 9-5/8 inch intermediate casing hole, the cement on the 7 inch intermediate casing (if set) must come to surface.**

If 7 inch casing is set, the production casing will be 4-1/2 inch casing and will be cemented a minimum of 200 feet inside the 7 inch casing. Operator shall provide method of verification of cement tops.

4. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least 200 feet into previous casing string. **Operator shall provide method of verification.**

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8 inch surface casing shoe shall be 2000 (2M) psi.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 inch intermediate casing shoe shall be 3000 (3M) psi.

4. The appropriate BLM office shall be notified a minimum of **4 hours** in advance for a representative to witness the tests.

a. The tests shall be done by an independent service company.

b. The results of the test shall be reported to the appropriate BLM office.

c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

e. A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi with the rig pumps is approved. **All components of the BOP/BOPE equipment must be tested as per above C. 1.**

**D. DRILLING MUD**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

**E. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

JDW 4/15/08

*MRB 5/6/08*