

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

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)

Surface: 660' FSL &amp; 660' FWL, Section 8 T19S-R31E, Unit Letter M

BHL: 660' FSL &amp; 330 FEL, Section 8 T19S-R31E, Unit Letter P

5. Lease Serial No.

NM-82902 94614

6. If Indian, Allottee or Tribe Name

RECEIVED

APR 19 2010

NMOCD ARTESIA

8. Well Name and No.

Domino AOJ Federal Com. #9H

9. API Well No.

30-015-35804

10. Field and Pool, or Exploratory Area

Undesignated Bone Spring

11. County or Parish, State

Eddy County

## 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 checked="" type="checkbox"/> Other change hole size
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomple 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 recompletion 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 respectfully requests permission to change the lateral hole size from 7 7/8" to the following:

8 3/4" hole from 8293'-9043', then reduce hole to 8 1/2" from 9043'-12,855'.

It is also requested that the attached contingency casing and cement plan be included in the well design for use if hole conditions dictate.

Thank-You

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Jeremiah Mullen

Title

Well Planning Technician

Signature

Jeremiah Mullen

Date

April 8, 2010

## THIS SPACE FOR FEDERAL OR STATE 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

APPROVED

/s/ Chris Walls

APR 15 2010

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)

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

### Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 9,043' MD (8,770' TVD) A 6 1/8" hole will then be drilled to 12,855' MD (8,770' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 8200'.

#### 2nd Intermediate

0 ft to 800 ft		Make up Torque ft-lbs			Total ft = 800
O.D.	Weight	Grade	Threads	opt. min. mx.	
7 inches	26 #/ft	J-55	LT&C	3670 2750 4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
4,320 psi	4,980 psi	367,000 #		415,000 #	6.151

800 ft to 5,700 ft		Make up Torque ft-lbs			Total ft = 4,900
O.D.	Weight	Grade	Threads	opt. min. mx.	
7 inches	23 #/ft	J-55	LT&C	3130 2350 3910	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
3,270	4,360 psi	313,000 #		366,000 #	6.25

5,700 ft to 8,000 ft		Make up Torque ft-lbs			Total ft = 2,300
O.D.	Weight	Grade	Threads	opt. min. mx.	
7 inches	26 #/ft	J-55	LT&C	3670 2750 4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
4,320 psi	4,980 psi	367,000 #		415,000 #	6.151

8,000 ft to 9,043 ft		Make up Torque ft-lbs			Total ft = 1,043
O.D.	Weight	Grade	Threads	opt. min. mx.	
7 inches	26 #/ft	L-80	LT&C	5110 3830 6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
5,410 psi	7,240 psi	511,000 #		604,000 #	6.151

DV tool placed at 4300'.

Stage I: Cemented w/1010sx PVL (YLD 1.41 Wt 13) TOC= 4300'

Stage II: Lead w/625sx Lite Crete (YLD 2 78 Wt 9.9), tail w/125sx PVL (YLD 1.41 Wt 13) TOC= 2800'

#### Production

0 ft to 12,855 ft		Make up Torque ft-lbs			Total ft = 12,855
O.D.	Weight	Grade	Threads	opt. min. mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020 2270 3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
8,650 psi	10,690 psi	279,000 #		367,000 #	3.875

DV tool placed at approx 8200' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 8200'

Cemented w/675sx PVL (YLD 1.41 Wt 13) TOC= 8200'

## CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>YATES PETROLEUM</b>
<b>LEASE NO.:</b>	<b>NM-94614</b>
<b>WELL NAME &amp; NO.:</b>	<b>Domino AOJ Fed Com 9H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>660' FSL &amp; 660' FWL</b>
<b>LOCATION:</b>	<b>Section 8, T. 19 S., R 31 E., NMPM</b>
<b>COUNTY:</b>	<b>Eddy County, New Mexico</b>

### A. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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 for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible loss circulation in the Artesia Group and the Capitan Reef.

Possible water flows in the Artesia and Salado Groups.

High pressure gas bursts possible in the Wolfcamp and the Pennsylvanian section may be over pressured.

1. The 13-3/8 inch surface casing shall be set at **approximately 550 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface.
  - 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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
  - 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 cementing will be done prior to drilling out that string.
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, c-d above.

**Variance is approved to set only a 500' kick off plug in the pilot hole. The pilot hole does not require an isolation plug since the pilot hole is entirely in the Bone Spring formation.**

3. 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.
4. 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.

#### **Contingency Casing**

5. The minimum required fill of cement behind the **7** inch second intermediate casing is:
- ☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.
6. The minimum required fill of cement behind the **4-1/2** inch production casing is:
- a. First stage to DV tool, cement shall:
- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office.

**CRW 041410**