

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBSOCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

DEC 15 2014

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM88164
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS E-Mail: laura@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: 575-748-4272 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) Multiple--See Attached		8. Well Name and No. Multiple--See Attached Parsley Area Red #1
		9. API Well No. 30-025-33823 Multiple--See Attached
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State LEA 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Workover Operations
	<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 recomplete 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.)

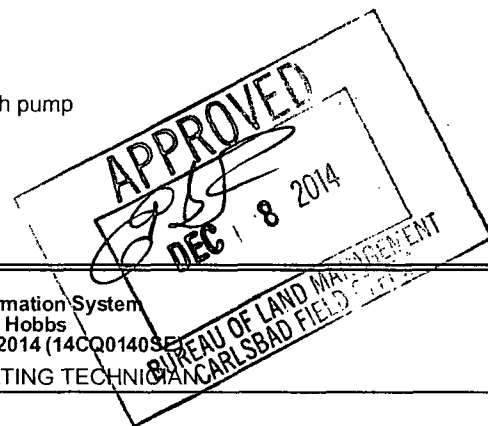
Yates Petroleum Corporation plans to pull RBP and commingle Delaware and Bone Spring as follows:

1. NU BOP. Rig up all safety equipment as necessary. POOH with all production equipment, rods, pump and production string. When releasing the TAC at 8,425 ft, go in and tag top of fill.
2. If fill, TIH with bit and tubing to clean out fill. Circulate clean. If not much fill, may be able to clean it out with the releasing tool.
3. TIH and release RBP at 8,885 ft and POOH.
4. TIH with tubing anchor and seating nipple. Set anchor and hang the tubing off. TIH with pump and rods. Turn the well over to the Production. (DHC-1639)

Wellbore schematics attached.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

DHC-1639



14. I hereby certify that the foregoing is true and correct. Electronic Submission #249579 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by CATHY QUEEN on 06/19/2014 (14CQ0140SP)	
Name (Printed/Typed) LAURA WATTS	Title REG REPORTING TECHNICIAN
Signature (Electronic Submission)	Date 06/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 12/08/2014
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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

DEC 22 2014

Additional data for EC transaction #249579 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88164	NMNM88164	PARSLEY ARA FED 01	30-025-33863-00-S1	Sec 26 T23S R32E SESE 760FSL 990FEL
NMNM88164	NMNM88164	PARSLEY ARA FED 01	30-025-33863-00-S2	Sec 26 T23S R32E SESE 760FSL 990FEL

WELL NAME: **PARLEY AREA #204**

LOCATION: **760' FSL 1,990' TEL SEC 26 T233 R52E**

FIELD AREA: **TRIJE DRAW DELAWARE**

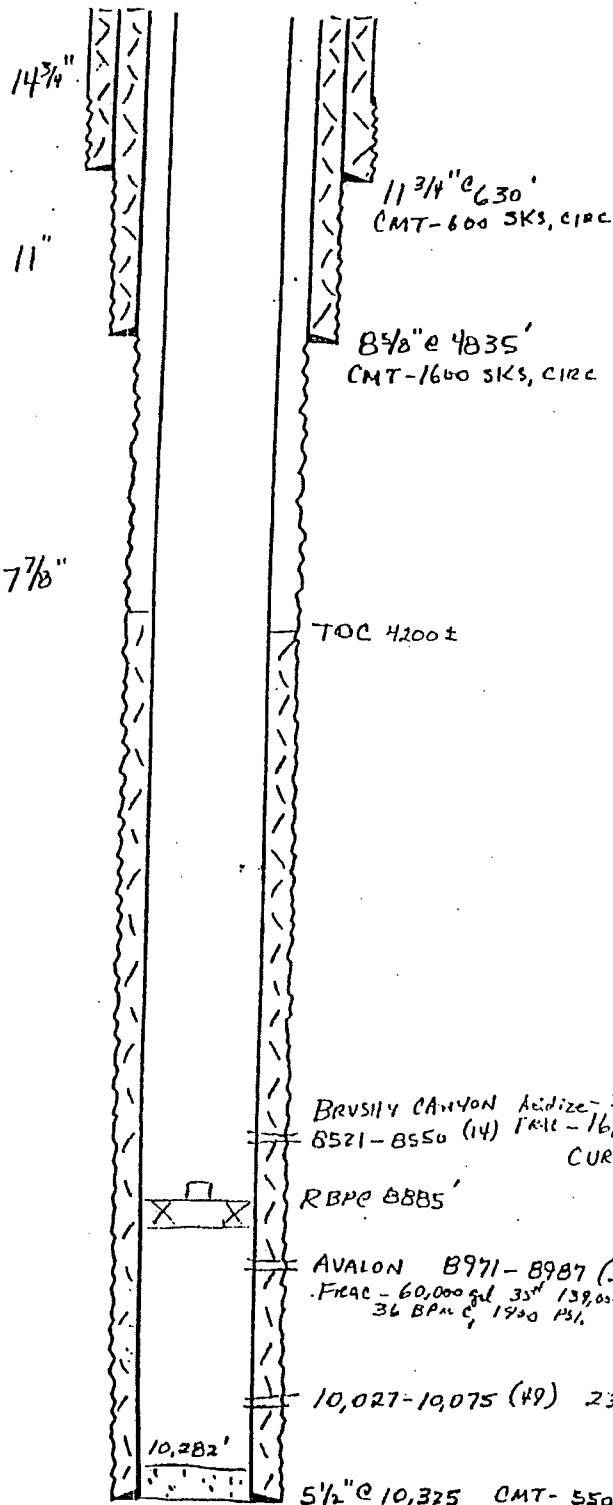
CL: **3690** ZERO: **13** AGL: **1**

KD: **3703** ORIG. DRLG./COMPL. DATE: **_____**

COMMENTS: **_____**

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40 STC	630'
8 5/8" 32# M-95 J-55 STC	4835'
5 1/2" 17# L-80 LTC	1872'
5 1/2" 17# N-80 LTC	4983'
5 1/2" 17# J-55 LTC	8,394'
5 1/2" 17# N-80 LTC	10,325'
2 1/8" L-80 6.4" EVE	



BEFORE

DST #1 - 5006-5100
 GAS TO SURFACE - 6 MIN.
 94°F - 2214 PSI
 DP - 90' 95% oil + 120' RH MVD
 2727' FORMATION WATER
 SE ... 54 ft GAS + 2300 CC WATER

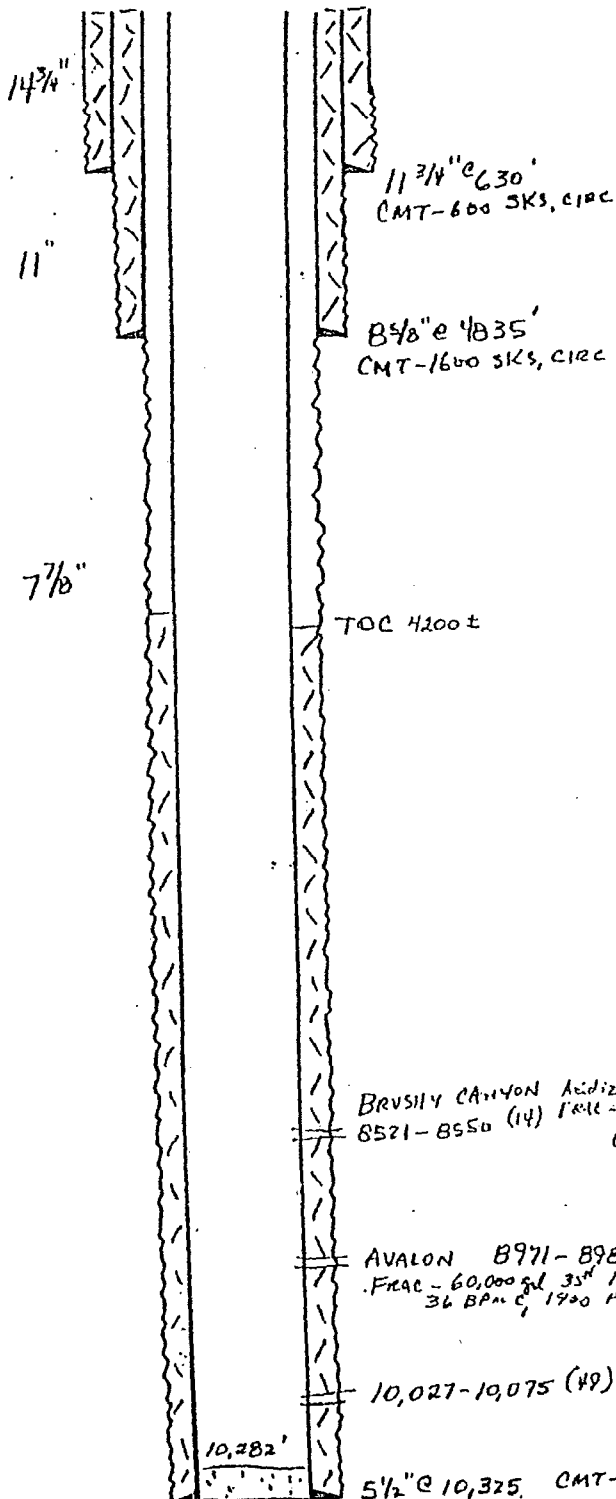
SKETCH NOT TO SCALE -

4-22-99 8D
 REVISED: 4/97 M KEITH

WELL NAME: **PARSLEY ARA FLD #1**FIELD AREA: **TRUTE DRAW DELAWARE / BONESPRINGS**LOCATION: **160' FSL + 990' FEL SEC 26 T23S R2E**GL: **3690'** ZERO: **13'** AGI: KO: **3703'** ORIG. DRLG./COMPL. DATE: COMMENTS:

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40 STC	630'
8 5/8" 32# H-951J-55 STC	4835'
5 1/2" 17# L-80 LTC	1872
5 1/2" 17# N-80 LTC	4983
5 1/2" 17# J-55 LTC	8,394
5 1/2" 17# N-80 LTC	10,325
2 7/8" L-80 6.4# EVE	

**AFTER**

DST #1 - 5006-5100
 GAS TO SURFACE - 6 MIN.
 94°F - 2214 PSI
 DP - 90' 95' oil + 120' RH MUD
 2727' FORMATION WATER
 SE... 5411' GAS + 2300 CC WATER

BRUSHY CANYON Acidize - 2000 gal 10% IC HCL + 25 BS
 8521-8550 (14) frac - 16,500 gal 40,000# 10.5 BPM JSIP-520 PSI
 CURRENT PRODUCTION - 5 BO, 65 BW

AVALON 8971-8987 (34) ACIDIZE - 1500 gal JSIP-1200 PSI
 FRAC - 60,000 gal 35# 139,000# 2 1/4" OILUM + 3000# 2 1/4" SUPR DL JSIP-2000 PSI
 36 BPM @ 1900 PSI

10,027-10,075 (49) 2300 GALLONS 10% HCL

5 1/2" @ 10,325' CMT-550 SKS

4-22-99 BD

- SKETCH NOT TO SCALE -

REVISED: 4/97 M KEITH

Conditions of Approval

Sundries dated 6/13/14 and 9/15/2014

Yates Petroleum Corporation

Parsley ARA Fed 1

API 3002533863, T23S-R32E, Sec 26

December 8, 2014

1. DHC work approved as written
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Surface disturbance beyond the existing pad must have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H₂S monitoring equipment shall be on location.
6. A minimum of 3000 (3M) BOPE shall 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.
7. All waste (i.e. 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.
8. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
9. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

EGF 120814