

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010HOBBS OCD
JAN 24 2014
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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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION SWD		5. Lease Serial No. NMNM120907
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-1471		8. Well Name and No. JACKSON FEDERAL SWD 1 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T24S R32E NWNW 660FNL 660FWL ✓		9. API Well No. 30-025-28242-00-X1 ✓
		10. Field and Pool, or Exploratory SWD; Bell Canyon & Cherry Canyon (96802)
		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 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 checked="" 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 Drilling Operations
	<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 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 to 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.)

12/10-28/13 - NU BOP. Began re-entry operations at 10:30 am. Drilled cement down to tagged plug at 4,858 ft. Notified BLM. Circulated clean. Pressure test 8-5/8 inch casing (CIT) 1600 psi for 30 mins. Witnessed by Paul Flowers with BLM-Hobbs. Continued drilling thru plugs. Washed down to 6,350 ft. Lost returns, pulled up into casing and filled tanks with 8.7 lb brine. Washed down to 6,729 ft. Circulated and displace hole with 8.7 lb brine. RIH open ended to 6,729 ft. Spotted a 50 sacks Class C Neat 15.5 lb cement plug at 6,729 ft. WOC. Tagged TOC at 6,621 ft. Set 5-1/2 inch 17 lb L-80 LT&C casing at 6,621 ft, float collar at 6,577 ft, DV tool at 5,024 ft. Pumped stage 1 with 300 sacks TXI cement at 13.2. Dropped 1st plug. Displaced with 30 sacks KCL, 20 bbls fresh water, 100 bbls of 8.7 lb brine. Dropped opening bomb. Wait 25 mins. Opened DV tool at 1200 psi. Circulated for 6 hours. Pumped stage 2 with 500 sacks TXI at 12 lb. Pumped 100 sacks Poz at 14.2 lb. Dropped plug. Displaced with 117 bbls of 3 percent KCL. Circulated about 10 bbls of cement to surface. ND BOP. WOC.

SWD-1308

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

Electronic Submission #231943 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Hobbs

Committed to AFMSS for processing by JOHNNY DICKERSON on 01/16/2014 (14JLD1104SE)

Name (Printed/Typed) LAURA WATTS

Title REGULATORY REPORTING TECHNICIA

Signature (Electronic Submission)

Date 01/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

JAMES A AMOS
Title SUPERVISORY EPS

Date 01/20/2014

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 **

FOR RECORD ONLY

mw/1/28/14

JAN 28 2014

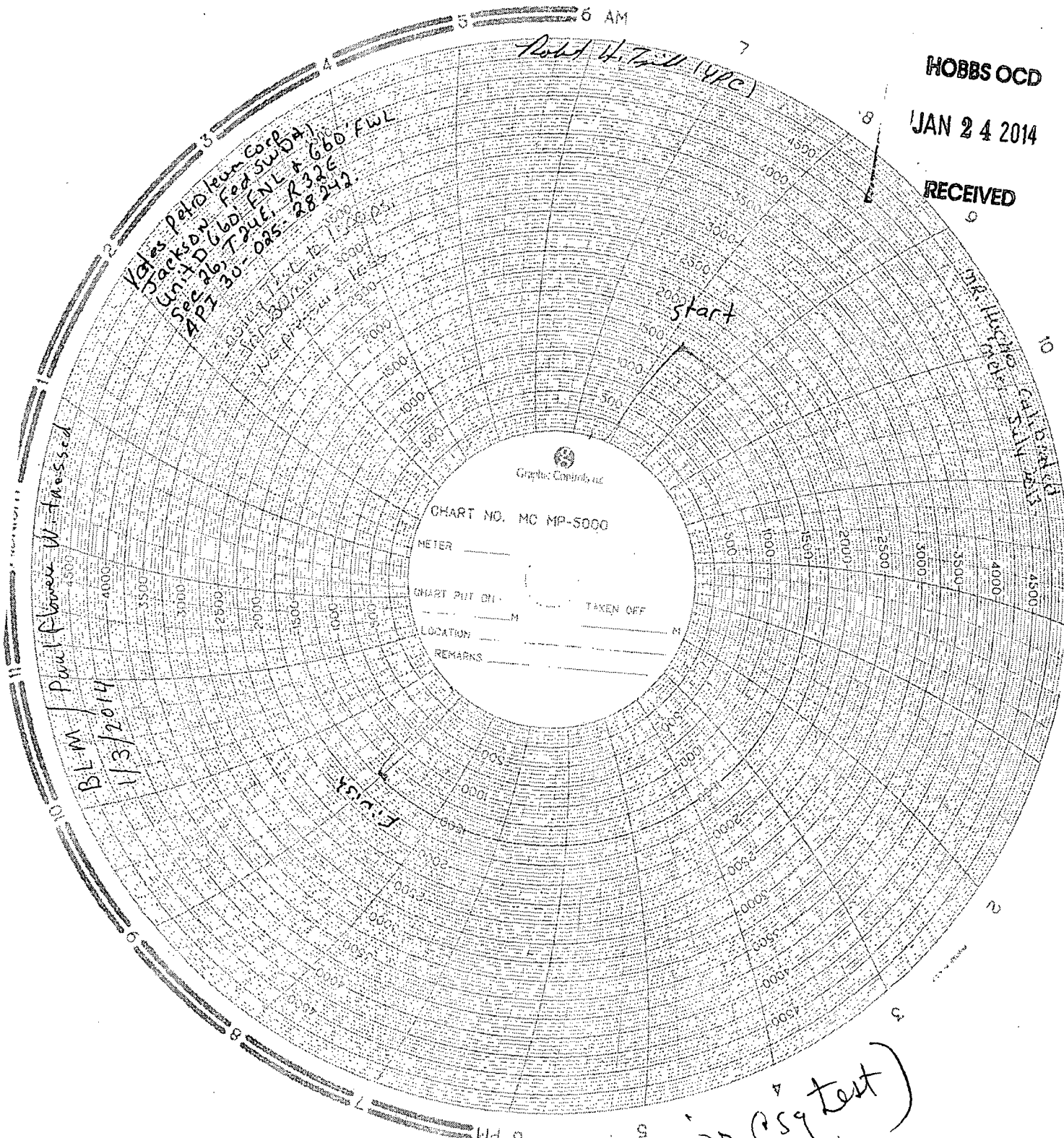
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Additional data for EC transaction #231943 that would not fit on the form

32. Additional remarks, continued

1/1-8/14 - Tagged cement at 5,016 ft. Drilled out cement to DV tool at 5,025 ft. Circulated clean. Tested casing to 1500 psi for 30 mins - good. Drilled out DV tool. Circulated clean. Tested casing to 1500 psi good for 30 mins on 1/3/14, witnessed by Paul Flowers with BLM-Hobbs. RIH with cement bond log to 6,560 ft. Log up to surface with 1500 psi. Perf'd Cherry Canyon 6,120 ft to 6,416 ft (50 holes). Acidized with 6500 gals 7.5 percent HCL acid iron control, slight ball action. Reverse circulate 110 bbls of 3 percent KCL with 40 gals of packer fluid. Swab tested to evaluate for presence of hydrocarbons, none present. ND BOP. Tested casing to 500 psi good for 30 mins on 1/9/14, witnessed by Paul Flowers with BLM-Hobbs. ASI nickel plated packer and 2-7/8 inch 6.5 lb L-80 tubing at 6,072 ft.

The 2 different MIT charts run are attached; emailed scanned copy to OCD-Hobbs on 1/13/14.



Vales Petroleum Corp.
Jackson Fed SWDA
Unit D 660 FNL + 660 FWL
Sec 26 T246 R32E
APZ 30-025-28242

OSMINT Test to 1500 PSI
Start 300 PSI
Pressure 1500 PSI

Paul Climer W. Tressed

BLM
1/3/2014

Robert H. Tull (VPC)

HOBBS OCD

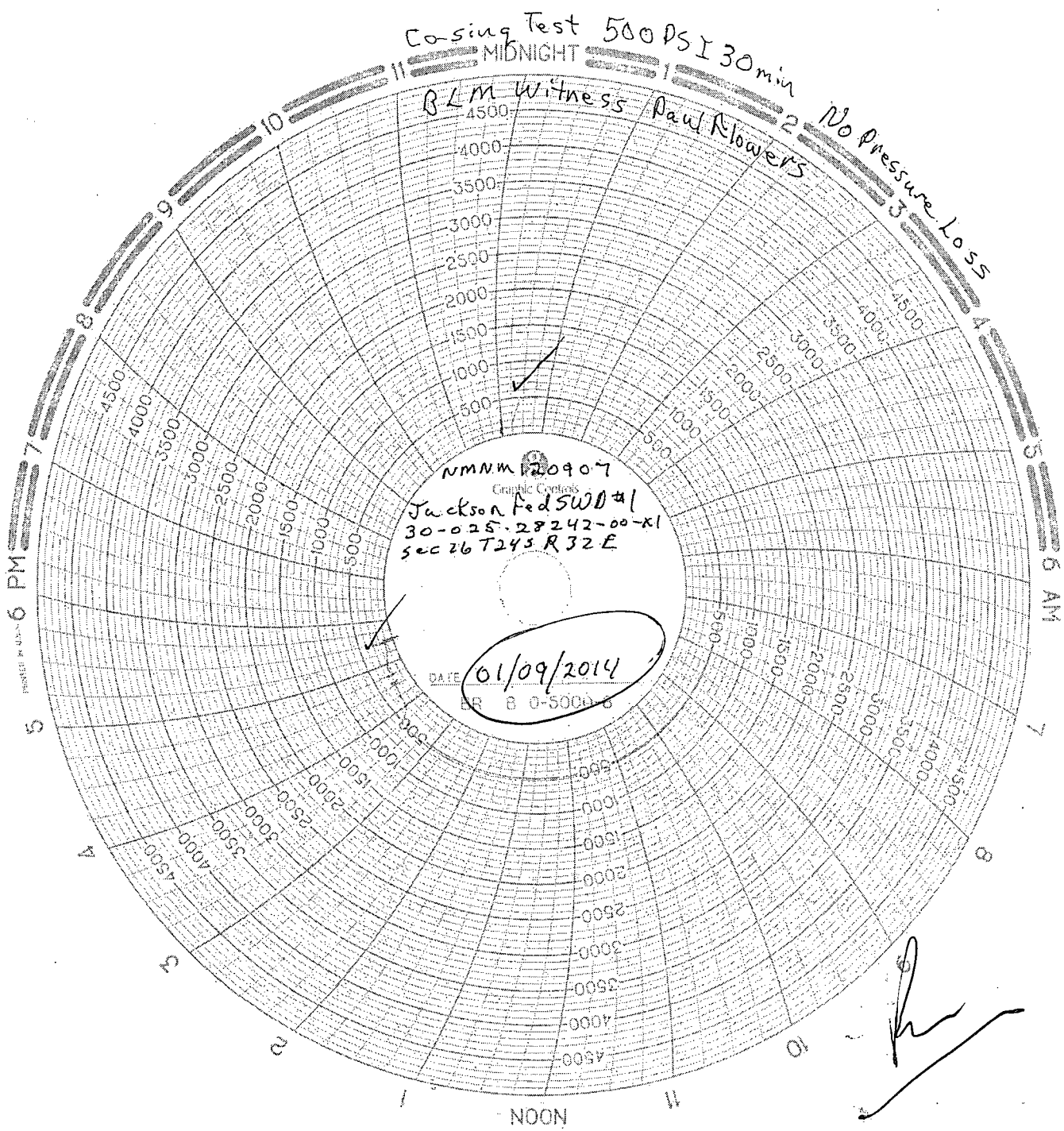
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MR. Hughes called
1/3/2014

(prior Psg test)

6 PM



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