OCD-ARTESIA

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 a abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5 Lease Serial No.
NM-487738

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No.

1 Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No
Federal AB #13H

2 Name of Operator
Yates Petroleum Corporation

9. API Well No.
30-015-37211

3a Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No. *(include area code)*
(575) 748-1471

10. Field and Pool, or Exploratory Area
Penasco Draw, San Andres, Yeso

4 Location of Well *(Footage, Sec., T, R, M, or Survey Description)*
Surface: 330' FSL & 1650' FWL
BHL: 2310' FSL & 1650' FWL
Section 32, T18S-R25E, Unit Letter (Surface N) (BHL K)

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☒ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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 Corportation respectfully requests permission to alter the casing and cement program for this well as per attached designs.

RECEIVED
AUG 11 2011
NMOCD ARTESIA

Thank-You

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*	Title
Jeremiah Mullen	Well Planner
Signature	Date
	August 1, 2011

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	

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)

Accepted for record
NMOCD 8-23-11

APPROVED
AUG 1 2011
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Federal AB #13H

Surface Casing

Designed using 8.6-9 2 MW Casing grade will be either K-55 or J-55

0 ft to 1,000 ft				Make up Torque ft-lbs			Total ft = 1,000
O.D.	Weight	Grade	Threads	opt.	min	mx	
9.625 inches	36 #/ft	K-55	LT&C	4,890	3,670	6,110	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,020 psi	3,520 psi	489,000 #		564,000 #		8.765	

A 14 3/4" hole will be drilled to 1000' and cemented to surface Cement program attached

Intermediate Casing

Designed using 8 8-9 2 MW

0 ft to 2,815 ft				Make up Torque ft-lbs			Total ft = 2,815
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	

An 8 3/4" hole will be drilled to 2,815' MD (2,550' TVD) 7" casing will then be run and cemented to surface
Cement program attached

Production Casing

Designed using 8 8-9.3 MW

2,000 ft to 4,325 ft				Make up Torque ft-lbs			Total ft = 2,325
O D	Weight	Grade	Threads	opt	min	mx	
4.5 inches	11.6 #/ft	L-80	LT&C	2230	1670	2790	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
6,350	7,780 psi	212,000 #		267,000 #		3.875	

A 6 1/8" hole will then be drilled to 4325' MD(2575' TVD), where a 4 1/2" liner will be set with a packer/port system
No cement on the 4 1/2" casing

Surface Cement

FLUID SYSTEMS

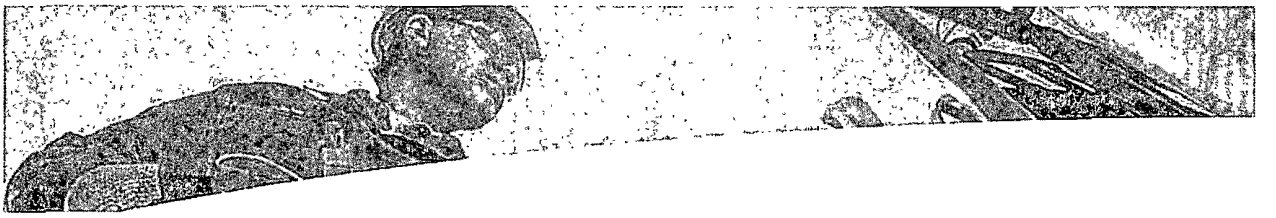
Fresh Water			
System	Water		
Density	8.34 lb/gal		
Total Volume	91.1 bbl		
Additives	**Code**	**Description**	**Concentration**

Cement Slurry (1045 sacks, 94 lb per sack of Blend)			
System	Conventional		
Density	14 80 lb/gal		
Yield	1.34 ft3/sk		
Mixed Water	6 178 gal/sk		
Mixed Fluid	6.178 gal/sk		
Total Volume	250.0 bbl		
Expected Thickening Time	70 Bc at 03:12 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	C	Cement	94 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0 lb/sk WBWOB
	D042	Extender	3 lb/sk WBWOB
	D046	Anti Foam	0 2 % BWOB

Some of the chemicals specified in this program may have toxic properties All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with such Please refer to the MSDS sheets for the recommended safety precautions and required minimum personal protective equipment.

Schlumberger

Intermediate Cement



FLUID SYSTEMS

Fresh Water			
System	Water		
Density	8.34 lb/gal		
Total Volume	124.6 bbl		
Additives	**Code**	**Description**	**Concentration**

Lead Slurry - 12.9ppg (360 sacks, 94 lb per sack of Blend)			
System	Conventional		
Density	12.90 lb/gal		
Yield	1.97 ft3/sk		
Mixed Water	10.689 gal/sk		
Mixed Fluid	10.689 gal/sk		
Total Volume	126.0 bbl		
Expected Thickening Time	70 Bc at 04:52 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	C	Cement	94 lb/sk WBWOB
	D020	Extender	4.0 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D042	Extender	3 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0 lb/sk WBWOB

Tail Slurry - 14.8ppg (360 sacks, 94 lb per sack of Blend)			
System	Conventional		
Density	14.80 lb/gal		
Yield	1.35 ft3/sk		
Mixed Water	6.189 gal/sk		
Mixed Fluid	6.189 gal/sk		
Total Volume	86.0 bbl		
Expected Thickening Time	70 Bc at 04:40 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	C	Cement	94 lb/sk WBWOB
	D046	Anti Foam	0.2 % BWOB
	D042	Extender	3 lb/sk WBWOB
	D130	Lost Circulation Control Agent	0 lb/sk WBWOB
	D201	Retarder	0.3 % BWOB

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Schlumberger

ATES PETROLEUM CORPORATION

Project: Eddy County
Site: Federal AB
Well: #13H
Wellbore: OH
Plan: Plan #1 (#13H/OH)

PATHFINDER® A Schlumberger Company

We

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	2072.60	0.00	0.00	2072.60	0.00	0.00	0.00	0.00	0.00	
3	2814.69	89.05	360.00	2550.00	469.56	0.00	12.00	360.00	469.56	
4	4324.69	89.05	360.00	2575.00	1979.35	0.00	0.00	0.00	1979.35	BHL (Fed AB 14)

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
BHL (Fed AB 14)	2575.00	1979.35	0.00	619902.304	486800.625	Point

WELL DETAILS #13H

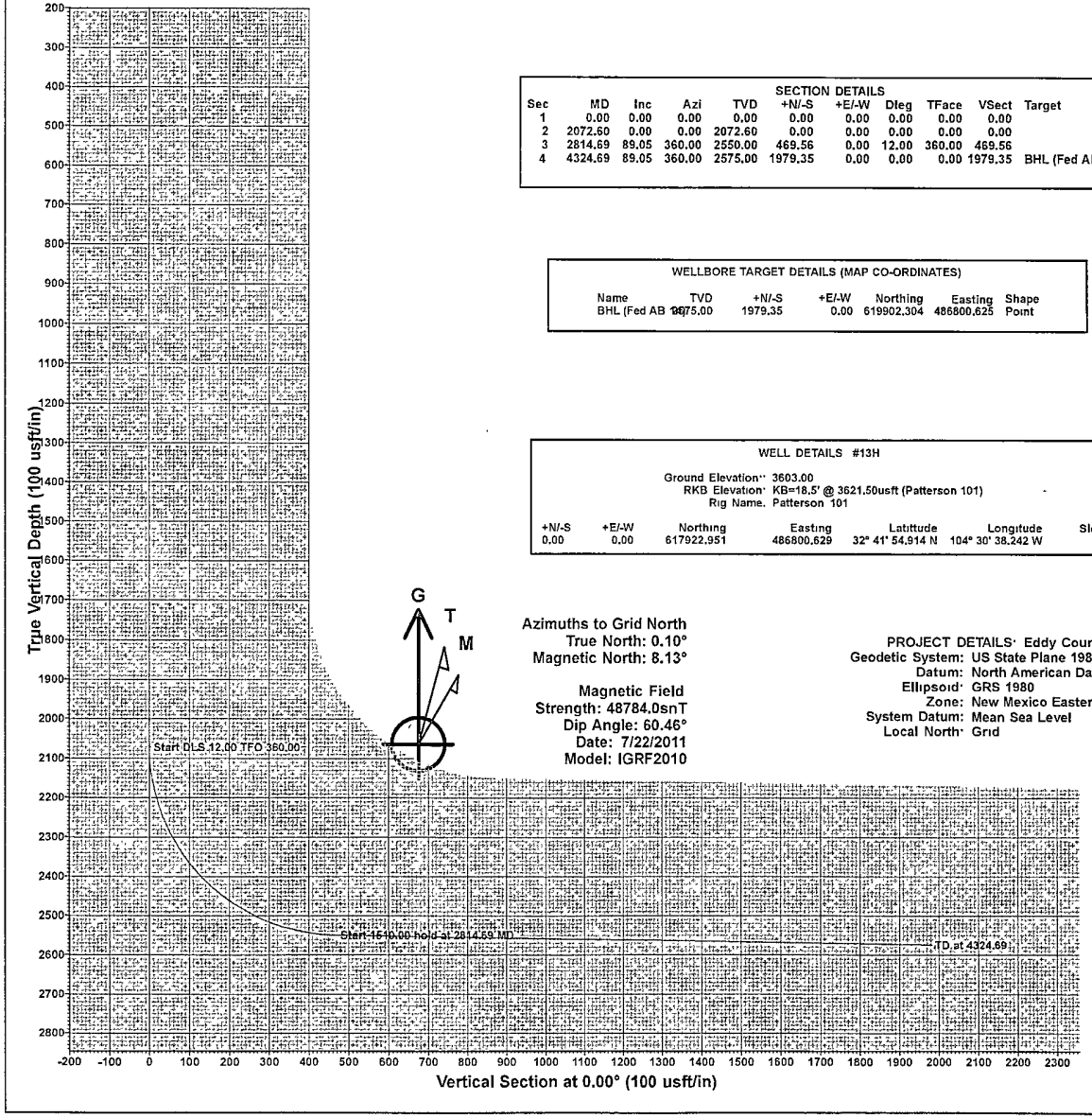
Ground Elevation: 3603.00
RKB Elevation: KB=18.5' @ 3621.50usft (Patterson 101)
Rig Name: Patterson 101

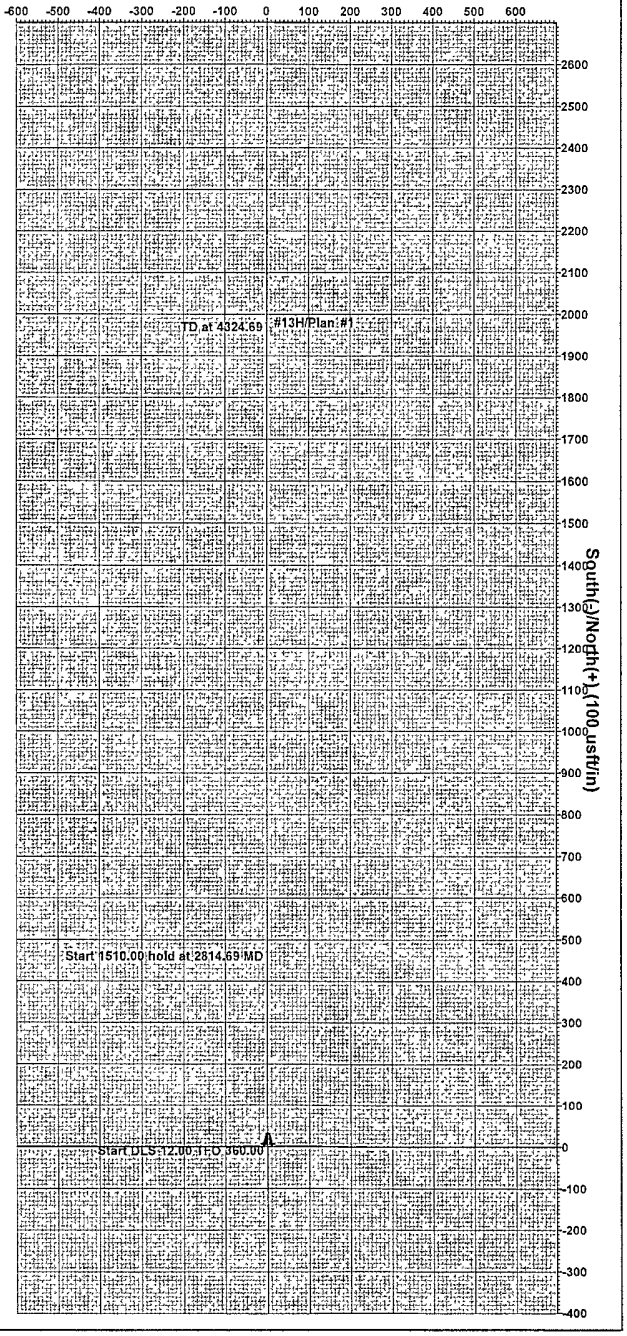
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	617922.951	486800.629	32° 41' 54.914 N	104° 30' 38.242 W	

Azimuths to Grid North
True North: 0.10°
Magnetic North: 8.13°

Magnetic Field
Strength: 48784.0snT
Dip Angle: 60.46°
Date: 7/22/2011
Model: IGRF2010

PROJECT DETAILS: Eddy County
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level
Local North: Grid





CONDITIONS OF APPROVAL

OPERATOR'S NAME:	YATES PETROLEUM CORPORATION
LEASE NO.:	NM-487738
WELL NAME & NO.:	FEDERAL AB #13H
SURFACE HOLE FOOTAGE.:	0330' FSL & 1650' FWL
LOCATION:	Section 32, T18S., R25E.
COUNTY:	Eddy County, New Mexico

CASING

1. The **9-5/8 inch** surface casing shall be set at approximately **1125 feet** 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 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 **7** inch production casing is:

    ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. Cement not required on the **4-1/2"** liner. **Packer system being used.**

3. 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.

CRW 080111