

UNITED STATES **OCD-ARTESIA**
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 an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No

NM-62211

6 If Indian, Allottee or Tribe Name

N/A

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

N/A

8 Well Name and No

Hanagan APL Federal Com #2H

9 API Well No

30-015-39511

10 Field and Pool, or Exploratory Area

Second Bone Springs Sand

11 County or Parish, State

Eddy, New Mexico

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: 1600' FSL & 330' FWL,

BHL: 1980' FSL & 330' FEL,

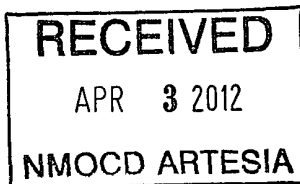
Section 31, T19S-R30E, Unit Letter (Surface L) (BHL I)

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 checked="" 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 type="checkbox"/> Other
	<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 recompleton 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 cement program on Intermediate 2 string as per attached: See attachments for new Cement Program and COA's. Verbal approval given on March 23, 2012 by Edward Fernandez, BLM.



14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Troy Peterson

Title

Well Planner

Signature

Date

March 27, 2012

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 fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Proposed Cement Program:

We have encountered some lost circulation on the 12 1/4" hole from 2118, this am we were at 2834', the sample top for the Capitan is 2418', our proposed casing point is 3500'. We are proposing setting a packer/Stage tool from 2070-2090 and pumping a 2 stage cement job with Schlumberger.

First Stage:

LEAD: 180 sx-12.0 ppg PVL yld 2.0 ft3/sk +5.0% SALT,4% EXT,0.2 % ANTIFOAM,5 PPS LCM/EXT .125 PPS LCM,1 % ACCELERATOR- 50% EXCESS TOC 1800

TAIL: 350 SX 14.2 ppg 50:50 Poz C 1.36 FT3/SK- 5% SALT,5 PPS LCM/EXT,.125 PPS LCM,0.2% ANTIFOAM ,.2% DISPERSANT 50 % EXCESS TOC 2564'

Second Stage:

LEAD: 330 SX 12.0 PVL-YLD- 2.0 FT3/SK, 5 % SALT,4 % EXT., .2% ANTIFOAM ,5 PPS LCM/EXT., .125 PPS LCM,1.5 % ACCELERATOR 50 % EXCESS TOC-0

TAIL: 100 SX 14.8 ppg CLASS C-YLD 1.35 FT3/SK,.05% ACCELERATOR,0.2 % ANTIFOAM ,3PPS LCM/EXT,.125 PPS LCM .02 GPS RETARDER -50 % EXCESS TOC 1793

Conditions of Approval:

Verbal Approval with the following Conditions of Approval
Follow up with Original NOI Sundry w/signature

Operator has proposed DV tool at depth of 2070'-2090', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

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

a. First stage to DV tool:

Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

Cement to circulate. (Cement to surface) If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Additional cement will be required as excess calculates to 6%.

Edward G. Fernandez
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