Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM81953

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.
GLOW WORM ALX FEDERAL 11

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: TINA HUERTA
E-Mail: tinah@yatespetroleum.com

9. API Well No.
30-015-35313

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4168
Fx: 575-748-4585

10. Field and Pool, or Exploratory
LOS MEDANOS; DELAWARE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 3 T23S R31E NENW 330FNL 2310FWL

11. County or Parish, and State
EDDY COUNTY, NM

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 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 add pay and stimulate as follows:

1. NU BOP. RU all safety equipment as needed. POOH with production equipment.
2. Set an RBP at +/-8000 ft.
3. Perforate Delaware 7900 ft - 7918 ft (19).
4. Acidize with 2000g iron control 7-1/2 percent HCL acid. Over displace 5 bbls. Flush to bottom perf with 3 percent KCL water.
5. Swab test. If fracable shows, dump sand on top of RBP and frac well. If no shows, move up and reset RBP at +/-7000 ft. Go to 10.
6. Frac (attached).
7. Shut well in for a minimum of 4 hrs or overnight if the frac was late in the afternoon overnight to allow gel to break and formation to close.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record NMOCD 3/4/2013

RECEIVED
MAR 04 2013
NMOCD ARTESIA

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

Electronic Submission #199359 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 02/20/2013 ()

Name *(Printed/Typed)* TINA HUERTA — Title REG REPORTING SUPERVISOR

Signature (Electronic Submission) — Date 02/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
FEB 28 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #199359 that would not fit on the form

32. Additional remarks, continued

8. Flow well back if it will flow. If not swab test to get an idea of production capability.
9. Circulate sand off RBP, release and move up and set at +/-7000 ft.
10. Perforate Delaware 6898 ft - 6910 ft (13).
11. Acidize with 2000g 7-1/2 percent NEFE acid. Over displace 5 bbls. Pump the acid at 3-4 BPM. Flush to bottom perf with 3 percent KCL water.
12. Swab test and evaluate frac.
13. If deciding to frac (attached), dump sand on top of RBP and MIRU frac crew.
14. Shut well in for a minimum of 4 hrs or overnight if the frac was late in the afternoon to allow gel to break and formation to close.
15. Flow the well back if it will flow.
16. TIH and circulate sand off RBP, release and POOH with RBP.
17. TIH with production string and turn well to production.

Wellbore schematics attached

6. MIRU frac crew and frac 7,900'-7,918' via the casing at 40 bpm using the following schedule.

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant Stage	lbs Proppant Cumulative	Proppant Type
1	7500.	0.00	0.	0.	pad
2	12500.	2 - 6	50000.	50000.	20/40 RCS
3	+/-7900.	0.0	0.	0.	3% KCL Water flush

Estimated Surface Treating Pressure @ 40 BPM = 2,825 psi.

Fluid Specifications: A 15# Borate Crosslinked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Base fluid will be 3% KCL or 3% equivalent KCL substitute. **Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours.** Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the downhole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush down to top perf. **Use 10 gpt activator.**

13. If deciding to frac, dump sand on top of RBP and MIRU frac crew and frac 6,898'-6,910' via the casing at 30BPM using the flowing schedule:

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant Stage	lbs Proppant Cumulative	Proppant Type
1	7500.	0.00	0.	0.	pad
2	12500.	2 - 6	50000.	50000.	20/40 RCS
3	+/-6890.	0.0	0.	0.	3% KCL Water flush

Estimated Surface Treating Pressure @ 30 BPM = 2,608 psi.

Fluid Specifications: A 15# Borate Crosslinked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Base fluid will be 3% KCL or 3% equivalent KCL substitute. **Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours.** Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the downhole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush down to top perf. **Use 10 gpt activator**

14. RD frac equipment. Shut the well in for completion of 4 hrs. or overnight if the frac was late in the

WELL NAME: Glow Worm ALX Fed #11 **FIELD:** Los Medanos

LOCATION: 330' FNL & 2310' FWL (C) Sec 3-23S-31E Eddy County

GL: 3,438' **ZERO:** **KB:** 3,456'

SPUD DATE: 11/2/07 **COMPLETION DATE:**

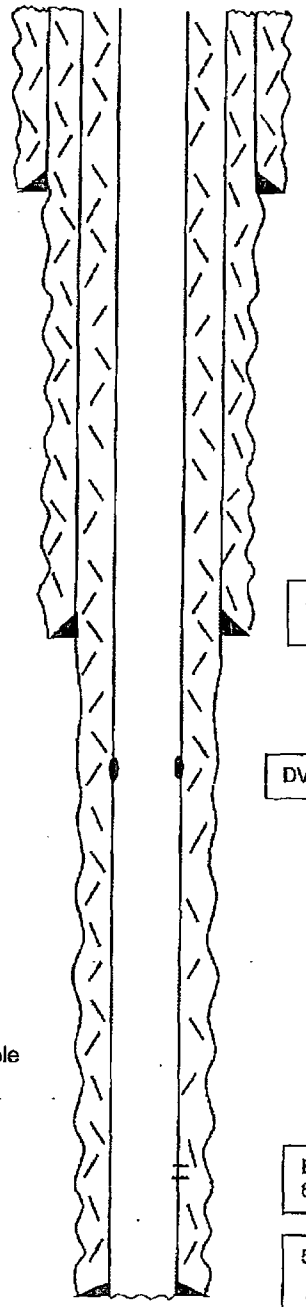
COMMENTS: API No. 30-015-35313

13-3/8" 48# H40 ST&C	564'
8-5/8" 24# & 32# J55 ST&C	4,078'
5 ½" 15.5 & 17# J55 LT&C	8,290'

17-1/2" Hole

11" Hole

7 7/8" Hole



13-3/8" @ 564'
w/ 465 sx (Circ.)

8-5/8" @ 4,085'
w/ 1300 sx (Circ.)

DV Tool @ 6,012'

Brushy Canyon Perfs: 8,024'-8,030' (7), 8,146'-8,152' (7), 8,174'-8,180' (7), 8,194'-8,198' (5), 8,210'-8,214' (5)

5 ½" @ 8,324' Cmt
1st Stage - 550 sx (circ)
2nd Stage -650 sx (circ)

PBTD 8,280'
TD 8,324'

Before

Formation Tops:

RUSTLER	: 554'
BASE OF SALT	: 3,977'
BELL CANYON	: 4,280'
CHERRY CANYON	: 5,240'
BRUSHY CANYON	: 6,962'
BONE SPRINGS	: 8,151'

Not to Scale
12/7/07
MMFH

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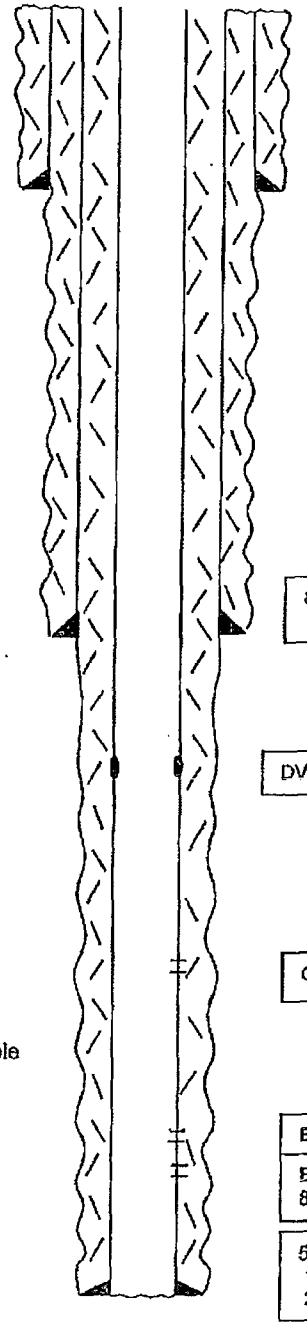

17-1/2" Hole

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7 7/8" Hole

13-3/8" @ 564'
w/ 465 sx (Circ.)

8-5/8" @ 4,085'
w/ 1300 sx (Circ.)

DV Tool @ 6,012'

Cherry Canyon Livingstone Ridge Perfs: 6,898'-6,910' (13)

Brushy Canyon "U" sand Perfs: 7,900'-7,918' (19)

Brushy Canyon Perfs: 8,024'-8,030' (7), 8,146'-8,152' (7), 8,174'-8,180' (7), 8,194'-8,198' (5), 8,210'-8,214' (5)

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Not to Scale
12/12/12
MMFH

Conditions of Approval

Yates Petroleum Corporation
Glow Worm ALX Federal 11
API 30-025-40722
T23S-R31E, Sec 03
February 28, 2013

1. Surface disturbance beyond the existing pad must have prior approval.

2. 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.

3. Functional H_2S monitoring equipment shall be on location.

4. 3000 (3M) BOP to 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.

5. File a **subsequent sundry** Form 3160-**5** within 30 days.

JAM 022813