

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.**

5. Lease Serial No.
NM-71526

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Harvey E Yates Company (HEYCO)

3a. Address
POBOX 1936
Roswell NM 88202

3b. Phone No. (include area code)
575-623-6601

7. If Unit of CA/Agreement, Name and/or No.
Bennett Ranch Unit 19008

8. Well Name and No.
Bennett Ranch Unit #1-Y

9. API Well No.
30-035-20028

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
BRU #1-Y located in S14, T26S, R12E of Otero County, NM Unit B 990FNL & 2005 FEL

10. Field and Pool or Exploratory Area
~~Mississippian, Orogordo Basin 98068~~

11. County or Parish, State
Otero County, NM

WILDCAT; MISSISSIPPIAN
C977917

12. CHECK THE 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 Production Test
	<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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

BLM Bond No. NMB000520/Surety Bond No. B004230

Please see attached procedure to conduct 30 day Production Test to evaluate reservoir potential.

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 14 2014

Accepted for record
NMOCD TES
8-14-2014

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****NOTE: See attached "Conditions of Approval"**

2035.16.14

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Catherine Green

Title Regulatory Analyst

Signature

Catherine Green

Date 04/03/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Bill Chalder

Title District Manager

Date 5/20/14

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

Las Cruces District 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.

(Instructions on page 2)

Initials/Date SURNAME
Initials/Date 5-20-2014 53
Initials/Date 10/20 5/20/14
Initials/Date
Initials/Date

API# 30-035-20028
API# 30-035-20081

NMNM71526
NMNM94469A
3100 (L0310)

MAY 20 2014

CERTIFIED--RETURN RECEIPT REQUESTED
7004 1350 0002 8394 3791

NM OIL CONSERVATION
ARTESIA DISTRICT

DECISION

AUG 14 2014

Harvey E. Yates Company
Attention: Ms. Catherine Green
P.O. Box 1933
Roswell, NM 88202

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**SUNDRY NOTICE REQUESTS
MECHANICAL INTEGRITY AND FLOW TESTS APPROVED**

In April 2014, Harvey E. Yates Company (HEYCO) submitted Sundry Notices for the BRU #1-Y and the BRU #25-1 wells located on the Bennett Ranch Unit in Otero County at:

New Mexico Principal Meridian, New Mexico
T. 26 S., R. 12 E.,
secs. 14 and 25.

The purpose of the sundries is to carry out a Mechanical Integrity Test (MIT) and 30 day production flow test on each well. The sundries are approved subject to all terms and conditions of the existing leases and the Conditions of Approval attached to the sundries.

REVIEW AND APPEAL RIGHTS

A person contesting an order of the authorized office or violation must request a State Director Review of the Order or Incident of Noncompliance. This request must be filed within 20 working days of receipt of the Incident of Noncompliance with the **Bureau of Land Management, New Mexico State Office, 301 Dinosaur Trail, Santa Fe, New Mexico 87508** (see 43 CFR 3165.3). The State Director Review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, MS 300-QC, Arlington, Virginia 22203 (see 43CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

/s/ Bill Childress

Bill Childress
District Manager

Bennett Ranch Unit CIT and 30 Day Production Test Procedure

Bennett Ranch Unit #1-Y well

Bennett Ranch Unit #25-1 well

CIT, Step-Rate Production Test, Bottom Hole Pressure Survey Procedure

2014 APR 23 AM 1:01

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MAILROOM
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Day #	Task
Day 1	Mobilize equipment to location and set up. Safety meeting. All personnel to wear hard hats, steel toed boots, fire retardant clothing, and observe HEYCO safety procedures.
Day 1	Rig up equipment for CIT. Perform 30 minute test while utilizing chart to capture pressure data.
Day 1	If well passes test, then continue with production test procedure.
Day 1	Rig up flow testing equipment with flare downwind. Flow testing will be manned 24 hours utilizing 2- man crews on each location.
Day 1	Utilize a manifold choke assembly with positive fixed chokes- do not use adjustable chokes.
Day 1	Appropriate human support services will be required to accommodate 24 hour operations.
Day 2	Run in hole with bottom hole pressure recorder. Set data recorder for 3 second data capture. Be sure to have enough memory for 40+ days of data recording on BHP, surface and flow measurement equipment.
Day 2	Open well on minimal choke for first flow period. Record gas flow rates and surface tubing pressure using 3 second data capture rates.
Day 2	Data and reports to be transmitted to HEYCO at 6am and 3pm at a minimum every day.
Day 2	All personnel to wear hard hats, steel toed boots, fire retardant clothing, and observe safety procedures.
Day 2	Check worksite including gauges.
Day 8	Change choke setting. Actual choke settings and duration of each interval will be determined from actual production rates and pressures. Collect natural gas sample.
Day 14	Change choke setting. Actual choke settings and duration of each interval will be determined from actual production rates and pressures.
Day 20	Change choke setting. Actual choke settings and duration of each interval will be determined from actual production rates and pressures.
Day 26	Change choke setting. Actual choke settings and duration of each interval will be determined from actual production rates and pressures.
Day 31	Collect natural gas sample. Shut-in well for a minimum 7 days for a pressure build up test.
Day 32	Rig down and move off flow test equipment and flare.
Day 32	Shut-in and secure well. Clean location prior to complete de-mob.
Day 38	Retrieve bottom hole pressure gauges.
Subsequent	Assemble and evaluate all data.
	Prepare report and determine next steps.
	Report to be shared confidentially with BLM.

BENNETT RANCH UNIT #1Y
Wildcat/Mississippian
 API #30-035-20028, Otero Cnty
 UL-S-T-R: B-14-26S-12E
 990' FNL & 2005' FEL
 Prop ID#089010-001
 5100' GL
Harvey E. Yates Company

Wellbore Status as of : 05/15/06

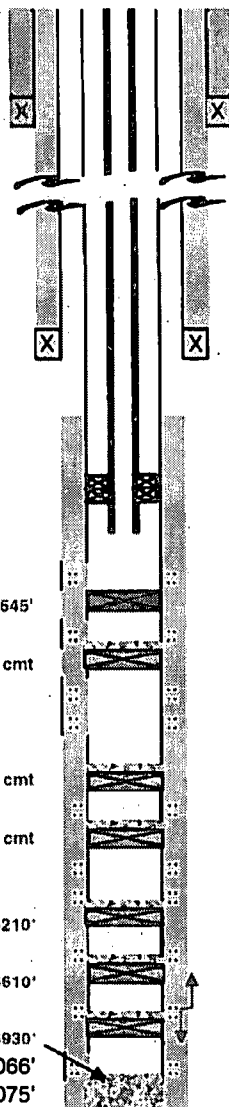
Spud: 8/3/1997
 TD: 7,075' 8/25/1997
 PBTD: 7,066' 9/23/1997 (original)
 PBTD: 4,970' 11/5/1997 (current)
 Completed: 11/10/1997

prepared by J. Atkinson

DRAWING NOT TO SCALE.

Tubing configuration:

As of: 10-30-98
 144 jts 2 3/8" J-55
 SN
 5 1/2" Uni-Vi PKR 1.5" On/Off tool @ 4400



707' Surf csg cmt to surf.

2865' Intmd cmt to surf.

3704' TOC

Surface Casing:

Bit size - 17 1/2"
 707' - 13 3/8" 54.5# J-55
 Cmt to w/625, TOC=Circ

Intermediate Casing:

Bit size - 12 1/4"
 2865' - 9 5/8" 36# J-55 Csg
 cmt to w/1200 sx cmt, TOC=Circ

Production Casing:

Bit size - 7 7/8"
 7075' 5 1/2" 17# J-55 csg
 cmt to w/1000 sx cmt, TOC=3704' by CBL
 DV Tool @ 2929'
 Marker Jts: 5718-45', 1961-76'

10/30/98 Set cmt ret @ 4645'

11/5/97 Set CIBP @ 5020' + 50' cmt

10/29/97 Set CIBP @ 5530' + 50' cmt

10/21/97 Set CIBP @ 5820' + 50' cmt

10/15/97 Set CIBP @ 6210'

10/8/97 Set CIBP @ 6610'

9/26/97 Set CIBP @ 6980' + 50' cmt, pbtd 6930'
 by CBL, PBTD: 7066'
 TD: 7075'

11/11/97 10. Perf 4506-4518' w/2 spf (Mississippian) ✓

10/21/98 11. Perf 4526-28' & 4534-36 w/4 spf (Mississippian) ✓

10/24/98 12. Perf 4552-62' w/4 spf (Mississippian)

11/01/97 9. Perf 5027-82 w/1 spf

10/29/97 8. Perf 5222-5242' w/1 JSPF (Fusselman)

10/23/97 7. Perf 5570-76, 5545-55 w/1 JSPF (Montoya)

10/21/97 6. Perf 5664-80', 5742-77.5' w/1 JSPF

10/18/97 5. Perf 5898-4908, 5868-5876, 5835-45' w/1 spf

10/09/97 4. Perf 6223', 29, 33, 39, 44.5, 52, 58.5, 65 & 6268' w/1 spf
 (Ellenberger)

10/02/97 3. Perf 6710, 6691, 78, 73, 62, 56, 45, 40, 30 & 6624' w/1 spf
 a/2000 gals 15% NEFE, no ball out - fair action (Ellenberger)

09/26/97 2. Perf 6776.5, 73, 63, 58 & 7752.5' w/1 spf (Ellenberger)
 a/2000 gals 15% NEFE w/4000# ball out

09/24/97 1. Perf 7081 57 51 45 37 32 26 20 & 7008' w/1 spf

BRU #1-Y
 casing
 diagram

Bureau of Land Management

CONDITIONS OF APPROVAL FOR SUNDRY NOTICE – NOTICE OF INTENT

Type of Action: MIT and Production Test

Harvey E. Yates Company (HEYCO)
Bennett Ranch Unit #Y-1 Well
API No. 30-035-20028
NWNE, Sec. 14, T26S, R12E, Otero County, NM Unit B
Bennett Ranch Unit 19008
Federal Lease NMNM071526 (At proposed production zone)
Case Number (PA): NMNM094469A

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 14 2014

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Operations Requirements

1. Approval of this Sundry Notice (Form 3160-5), Notice of Intent (NOI) 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. Neither does BLM approval alleviate the operator from the requirements of obtaining any other necessary state or federal permits prior to conducting operations.
2. The operator is responsible for ensuring conformance to the approved SN-NOI and **Conditions of Approval** by the subcontractors. **A copy of the approved SN and COAs must be onsite during well operations.**
3. A Mechanical Integrity Test (MIT) will be performed on the 5-1/2" production casing down to a depth of 50 feet above the perforations. The production casing will be pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with less than 10% (50 psi) bleed off. If the pressure test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted to the Las Cruces Field Office within sixty (60) days of the Mechanical Integrity Test.
4. Upon a successful MIT, the well will be production tested as per the approved SN-NOI. Volumes of natural gas flared during the production testing operations and flaring duration time will be in compliance with Notices to Lessees and Operators of Onshore Federal and Indian Oil and gas Leases (NTL-4A), Royalty or Compensation for Oil and Gas Lost, Section III., C. and reported on monthly OGORs (Oil and Gas Operations Report, Forms ONRR-4054-A, -B, and -C, per NTL-4A, Section V. A test period exceeding 30 days can be approved by the BLM Authorized Officer if previously authorized by the appropriate State regulatory agency. This CIT must be witnessed by a BLM Inspector (contact Paul Swartz and the Carlsbad PET contact numbers).
5. This well work shall commence within 60 days from the approval date of this **Sundry Notice – Notice of Intent** as ordered by the Authorized Officer.

Surface Use Plan of Operations Requirements

The following surface use conditions of approval are in addition to all stipulations associated with your Federal Lease NMNM 071526 (surface location):

1. All spills or leakages of oil, gas, produced water, toxic liquids, or waste material, blowouts, fires, personal injuries or fatalities shall be reported by the operator to BLM in accordance with regulations and as prescribed in NTL-3A orders (**per 43 CFR 3162.5-1 (c)**).
2. Surface disturbance beyond the existing pad shall have prior approval with appropriate Sundry Notice – Notice of Intent (Form 3160-5).
3. The operator shall regularly monitor and promptly control noxious weeds and other undesirable plant species.
4. 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. Portojohns and trash containers will be on location during extended well operations or any crew-intensive operations.
5. Following the completion of the well, the pad must be made level with the use of gravel and **cleared of all debris**.
6. To reduce areas of disturbance not needed for long-term operations, interim reclamation will be initiated for area when well testing operations have concluded.

Reporting Requirements

1. Operator will submit a revised Sundry Notice (Form 3160-5) for approval prior to deviating from this approved SN-NOI. Oral approval by phone may be given should circumstances warrant; however, this does not waive the written SN requirement which is to be submitted within 5 business days of receiving verbal approval.
2. Subsequent well operations will require prior approval before being performed utilizing **Sundry Notices and Reports on Wells, Notice of Intent** (Form 3160-5).
3. Within 30 days of completion of operations, a Subsequent Report of actual operations performed under the original SN-NOI will be filed on Form 3160-5, **Sundry Notices and Reports on Wells**.
4. Any undesirable events are subject to the requirements of NTL-3A: Reporting of Undesirable Events.
5. Flaring of gas during production testing operations is subject to the requirements of NTL-4A: Royalty or Compensation for Oil and Gas Lost.
6. Any solid and/or liquid wastes resulting from the proposed activity shall be properly disposed of as per Onshore Oil and Gas Order No. 7, Disposal of Produced Waters.

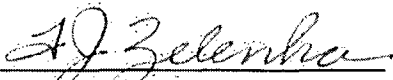
Notification Requirements:

1. All notifications must be reported verbally to **all** of the contacts listed below:

<u>Name</u>	<u>Position</u>	<u>Work Phone</u>	<u>Home Phone</u>
Edward Seum	Supvr, LCFO,	575-525-4313	
*Tom Zelenka	Pet. Engineer/ Pet. Eng. Tech	505-954-2110	303-807-3161 (C)

*Wesley Ingram	Pet. Engineer	575-234-5982	
Paul Swartz	Pet. Eng. Tech	575-234-5985	575-200-7902 (C)
Carlsbad FO	Pet. Eng. Tech		575-361-2822 (C)

2. Notify those (with the *) above verbally or in writing prior to any change to the **approved Sundry Notice**.
3. Notify Paul Swartz and the Carlsbad FO (PET) verbally at least 24 hours in advance of conducting **MIT operations**.
4. Notify all of the above verbally at least 24 hours in advance of conducting **production testing**.



Thomas J. Zelenka
BLM, Petroleum Engineer

5.16.14
Date