

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

SEP 24 2007

## 2. Name of Operator

Yates Petroleum Corporation 25575

OCD-ARTESIA

## 3a. Address

105 South Fourth Street, Artesia, NM 88210

## 3b. Phone No. (include area code)

(505) 748-1471

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL and 330' FWL-Surface Hole Location

1980' FNL and 950' FEL-Bottom Hole Location

Section 15, T 26 S, R 29 E

## 5. Lease Serial No.

NM-44532

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA/Agreement, Name and/o

## 8. Well Name and No.

Sosa Federal #4H (12760)

## 9. API Well No

30-015-35167

## 10. Field and Pool, or Exploratory Area

Brushy Draw; Delaware

## 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                                |   |  |  |
|---|---|---|--|--|
| <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 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 Extend |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | APD  |
|   | <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 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 shall 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 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 wishes to extend the captioned well's APD for two (2) years to September 27, 2009. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Delaware formation to meet the OCD's requirements for the submission of a contingency plan per Rule 118.

Thank you.

APPROVED FOR 24 MONTH PERIOD  
ENDING 9-27-09

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

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent/Land Department

Email

cy@ypcnm.com

Signature

Date

August 27, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Don Peterson

Date

SEP 20 2007

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)

Previously approved. C-144 attached. C-102 attached

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |  |   |  |   |                                |
|---|--|---|--|---|--------------------------------|
| <sup>1</sup> API Number<br>30-015-35167 |  | <sup>2</sup> Pool Code                                    |  | <sup>3</sup> Pool Name<br>Undes. Brushy Draw Delaware |                                |
| <sup>4</sup> Property Code<br>12760     |  | <sup>5</sup> Property Name<br>Sosa Federal                |  |   | <sup>6</sup> Well Number<br>4H |
| <sup>7</sup> OGRID No.<br>025575        |  | <sup>8</sup> Operator Name<br>Yates Petroleum Corporation |  |   | <sup>9</sup> Elevation<br>3387 |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E             | 15      | 26 S     | 29 E  |         | 1980          | North            | 330           | West           | Eddy   |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 15      | 26 S     | 29E   |         | 1980          | North            | 950           | East           | Eddy   |

|  |                               |                                  |                         |
|--|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>160 5/8 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

|                   |  |
|-------------------|--|
| <sup>16</sup><br> | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br>Signature _____ Date 8/10/2007<br>Cy Cowan, Regulatory Agent<br>Printed Name _____ |
|                   | <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.<br>Date of Survey _____<br>Signature and Seal of Professional Surveyor: _____<br><b>REFER TO ORIGINAL PLAT</b><br>Certificate Number _____  |

District I  
1626 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                       |  |                             |
|-----------------------|--|-----------------------------|
| 1 API Number          | 2 Pool Code                                    | 3 pool Name                 |
|                       |  | Undes. Brushy Draw Delaware |
| 4 Property Code       | 5 Property Name                                | 6 Well Number               |
|                       | SOSA FEDERAL                                   | 4H                          |
| 7 OGRID No.<br>025575 | 8 Operator Name<br>YATES PETROLEUM CORPORATION | 9 Elevation<br>2930         |

**10 Surface Location**

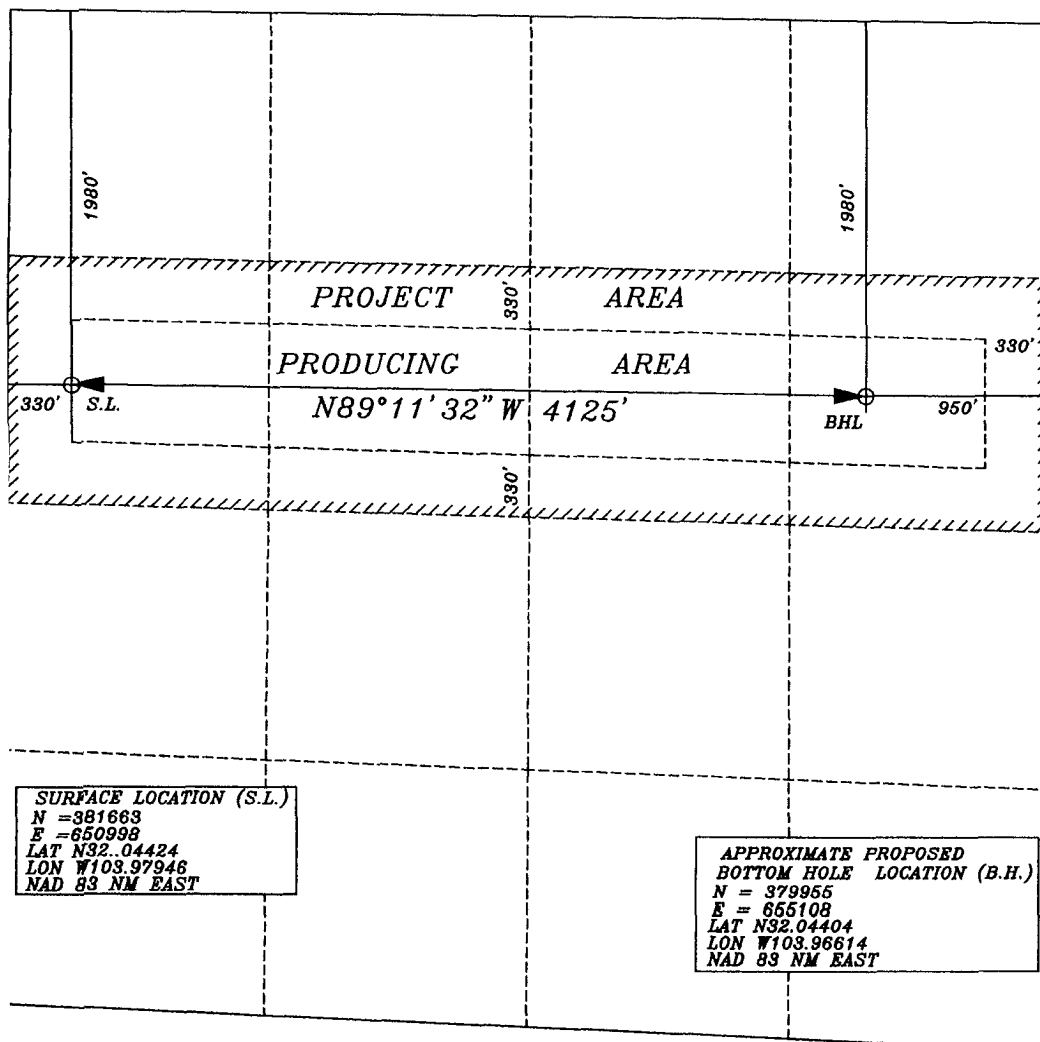
| UL or lot no. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| E             | 15      | 26-S     | 29-E  |          | 1980          | NORTH            | 330           | WEST           | EDDY   |

**Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| H             | 15      | 26-S     | 29-E  |          | 1980          | NORTH            | 950           | EAST           | EDDY   |

|                           |                    |                       |              |
|---------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres<br>160 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---------------------------|--------------------|-----------------------|--------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**17 OPERATORS CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cy Cowan* 6/4/07  
Signature Date  
Cy Cowan, Regulatory Agent  
Printed Name

**18 SURVEYOR CERTIFICATION  
SURFACE LOCATION ONLY**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
Signature and Seal of Professional Surveyor:

JUNE 12, 2006

Date of Survey

DAN R. REDDY  
NEW MEXICO  
5412  
REGISTERED LAND SURVEYOR  
ENGINEER  
Cert. No. NMPE&PS #5412

## PECOS DISTRICT CONDITIONS OF APPROVAL

|                       |                                      |
|-----------------------|--------------------------------------|
| OPERATOR'S NAME:      | YATES PETROLEUM CORP.                |
| LEASE NO.:            | NM-44532                             |
| WELL NAME & NO.:      | SOSA FEDERAL 4H                      |
| SURFACE HOLE FOOTAGE: | 1980' FNL & 330' FWL                 |
| BOTTOM HOLE FOOTAGE   | 1980' FNL & 950' FEL                 |
| LOCATION:             | Section 15, T. 26S S., R 29 E., NMPM |
| COUNTY:               | Eddy County, New Mexico              |

### I. DRILLING

#### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(505) 361-2822

- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

#### B. CASING

- 1. The 9-5/8 inch surface casing shall be set at approximately 400 feet, above the top of the salt and 25 feet into the Rustler Anhydrite 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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).

- 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 action will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
  - ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
- 4. 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.

### **C. PRESSURE CONTROL**

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
  - e. No variance to test the surface casing and BOP/BOPE to the reduced pressure is approved.

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

LB/9/19/07