Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No 1004-0135

Expires Jnovember 30, 2000

Lease Senal No

NM-103879-8-NM-

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

| - | II Onit of | CA/Agreement, Name-andzo |
|---|------------|--------------------------|
| | 1 | NMOCD ARTECIA |

| l Type of Well | | | ļ | |
|--|---|--|---|--|
| X Oil Well Gas Well | 8 Well Name and No | | | |
| 2 Name of Operator | Culebra BLV Federal Com. #1H | | | |
| Yates Petroleum Corporation | 1 | | | 9 API Well No |
| 3a Address | | 3b. Phone No. (include | e area code) | 30-015-37615 |
| 105 South Fourth Street, Arte | esia, NM 88210 | (505) 748-1471 | | 10. Field and Pool, or Exploratory Area |
| 4. Location of Well (Footage, Sec., T | , R, M, or Survey Descriptio | n) | | Undesignated Bone Spring |
| 660' FNL a | nd 300' FWL, Sec. 7-2 | 3S-29E, Surface H | ole Location | 11 |
| 660' FNL a | lole Location | Eddy County, New Mexico | | |
| 12. CHECK APPROI | PRIATE BOX(ES) TO IND | ICATE NATURE OF 1 | NOTICE, REPO | ORT, OR OTHER DATA |
| TYPE OF SUBMISSION | | ТҮРЕ С | F ACTION | |
| Notice of Intent | Acidize Alter Casing | Deepen Fracture Treat New Construction | Reclamation | |
| Subsequent Report Final Abandonment Notice | Casing Repair Change Plans Convert to Injection | Recomplete Temporarily Water Disp | y Abandon Change of | |
| 13 Describe Proposed or Completed Opera If the proposal is to deepen directional Attach the Bond under which the worl Following completion of the involved of Testing has been completed. Final At determined that the site is ready for final | operations It the operation results andonment Notices shall be filed | tails, including estimated star subsurface locations and me Bond No. on file with BLN in a multiple completion or only after all requirements, | ting date of any pro asured and true ver MBIA Required so recompletion in a n including reclamation | oposed work and approximate duration thereof tical depths of all pertinent markers and zones ubsequent reports shall be filed within 30 days lew interval, a Form 3160-4 shall be filed once on, have been completed, and the operator has |

Yates Petroleum Corporation respectifully requests permission to change the bottom hole footages from 660' FNL and 330' FEL of Section 7-T23S-R29E to new footages of 660' FNL and 2310' FWL of Sec. 8-T23S-29E and a new TMD of 14635'. The dedicated acres will be the N2N2 Sec. 7 and N2NW4 of Sec. 8. The bottom hole is on lease NM-103879 and the bottom hole is on lease NM-121951. The name should be changed to Culebra "BLV" Federal Com. #1H. Stage 1 cement will change from 1325 sacks to 2755 sacks. New diagrams are included. Thank you.

| 14 I hereby certify that the foregoing is true and correct | | | | | |
|--|-------------------------------------|--|--|--|--|
| Name (Printed/Typed) Ti | tle | | | | |
| Clifton May | Land Regulatory Agent | | | | |
| Signature Clufter May | 3/3/10 | APPROVED | | | |
| THIS SPACE FOR FEL | DERAL OR STATE USE | | | | |
| Approved by | Title | Date MAR 1 0 2010 | | | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant of certify that the applicant holds legal or equitable title to those rights in the subject least which would entitle the applicant to conduct operations thereon | | Js/ Chris Walls BUREAU OF LAND MANAGEMENT CARL SBAD FIELD OFFICE | | | |
| Title 18 U.S.C. Section 1001, make it a crime for any person knowin | gly and willfully to make to any de | partment or agency of the United | | | |
| States any false fictitios or fradulent statements. | | \sim (/ | | | |

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office State Lease - 4 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 Fee Lease - 3 Copies

CI AMENDED REPORT

DISTRICT IV

DISTRICT III

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

1000 Rio Brazos Rd., Aztec, NM 87410

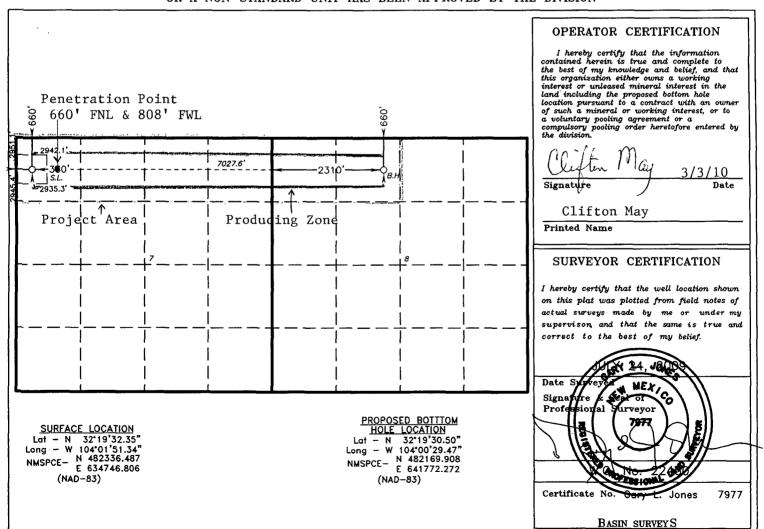
WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-015-37615 | Pool Code | UNDESIGNATE BENE SPRING Pool Name Undesignated Bone Spring | | |
|----------------------------|-----------|--|-------------------|--|
| Property Code | CULEBR | Property Name (A "BLV" FEDERAL | Well Number | |
| OGRID No. 25575 | YATES I | Operator Name PETROLEUM CORP. | Elevation 2944 | |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | | |
|----------------|--|-------------|-------------|---------|---------------|------------------|---------------|----------------|--------|--|--|
| .∂ D | 7 | 23 S | 29 E | | 660 | 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 | | |
| С | 8 | 23 S | 29 E | | 660 | NORTH | 2310 | WEST | EDDY | | |
| Dedicated Acre | s Joint o | r Infill Co | nsolidation | Code Or | der No. | | | | | | |
| 240 | 1 | } | | ŀ | | | | | | | |

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



 ${\bf Contingency\ Casing\ Design}$ If hole conditions dictate, 7" casing will be set at \$6,950'\ . A 6 1/8" hole will then be drilled to 14,635' MD (7,580' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 6750'

2nd Intermediate

| | 0 ft to | 100 ft | Make up Torque ft-lbs | Total ft = 100 |
|---------------------|----------------|-------------------|-----------------------|----------------|
| OD | Weight | Grade Threads | opt min. mx. | |
| ·····7·inches | 26 #/ft | J-55LT&C | 3670 2750 4590 | |
| Collapse Resistance | Internal Yield | Joint Strength | Body Yield Drift | |
| 4,320 psi | - 4,980 psi | 367 ,000 # | 415 ,000 # 6:151 | |

| | 100 ft to | 5,800 ft | Make up Torque ft-lbs | Total ft = 5,700 |
|---------------------|------------------|-----------------|-----------------------|------------------|
| O D. | Weight | Grade Threads | opt. min mx. | |
| 7 inches | 23 #/ft | J-55 LT&C | 3130 - 2350 3910 ; | • |
| Collapse Resistance | Internal Yield | Joint Strength | Body Yield Drift | |
| 3,270 | 4,360 psi | 313 ,000 # | 366 ,000 # 16.25 | |

| | 5,800 ft to | 6,950 ft | Make up Torque ft-lbs | Total ft = 1,150 |
|---------------------|--------------------|----------------|-----------------------|------------------|
| OD | Weight | Grade Threads | opt min. mx | |
| 7 inches | 26 #/ft | J-55 LT&C | 3670 2750 4590 | 4 |
| Collapse Resistance | Internal Yield | Joint Strength | Body Yield Drift | |
| 4,320 psi | . 4,980 psi | 367 ,000 # | 415 ,000 # 6,151 | 1 |

DV tool placed at 4000'

Stage I. 6950'-4000 Cemented w/630sx PVL (YLD 1.41 Wt 13) TOC= 4000'

Stage II 4000'-2100 Cemented w/175sx Lite Crete (YLD 2.66 Wt 9 9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 2100'

Production

| | 0 ft to | 14,635 ft | Make up Torque ft-lbs | Total ft = 14,635 |
|-----------------------------------|------------------------------|----------------|-----------------------------------|-------------------|
| O D 4.5 inches | Weight 11.6 #/ft | Grade Threads | opt min mx. | |
| Collapse Resistance 8,650, psi | Internal Yield 10,690 psi | Joint Strength | Body Yield Drift 367 ,000 # 3.875 | |

DV tool placed at approx. 6750' and cemented with one stage up to dv tool. After completion procedures, the

4 1/2" casing will be cut and pulled at 6750'.

Cemented w/1055sx PVL (YLD 1 41 Wt 13) TOC= 6750'

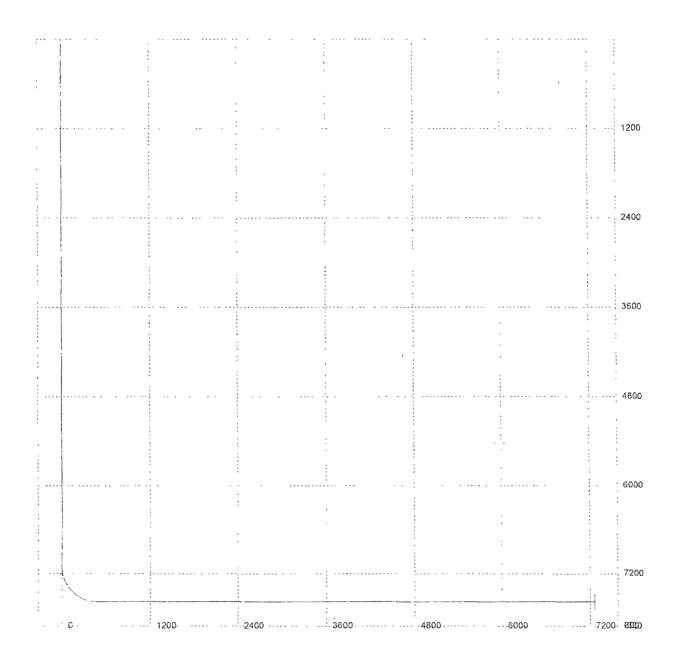
| MD. | Inclination | Azimuth | T.V.D. | N+/S- | ⊯ E+/W- | DLS. | ToolFace | T.F./Ref [HS/GN] | |
|----------|-------------|---------|---------|----------------|---------|------|-----------------|------------------|--------------------|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 185 | 0 | 0 | 185 | 0 | 0 | 0 | | | RUSTLER |
| 300 | 0 | 0 | 300 | 0 | 0 | 0 | | | TOP OF SALT |
| 2,500 | 0 | 0 | 2,500 | 0 | 0 | 0 | | | BASE OF SALT |
| 2,780 | 0 | 0 | 2,780 | 0 | 0 | 0 | | | BELL CANYON |
| 3,600 | 0 | 0 | 3,600 | 0 | 0 | 0 | | | CHERRY CANYON |
| 4,830 | 0 | 0 | 4,830 | 0 | 0 | 0 | | | BRUSHY CANYON |
| 6,100 | 0 | 0 | 6,100 | 0 | 0 | 0 | | | BRUSHY CANYON MKR |
| 6,320 | 0 | 0 | 6,320 | 0 | 0 | 0 | | | BONE SPRINGS |
| 6,520 | 0 | 0 | 6,520 | 0 | 0 | 0 | | | AVALON SAND |
| 7103 | 0 | 0 | 7103 | 0 | 0 | 12 | 90 | GN | KOP |
| 7125 | 2 64 | 90 | 7124 99 | 0 | 0 51 | 12 | 0 | HS | |
| 7150 | 5 64 | 90 | 7149 92 | 0 | 2 31 | 12 | 0 | HS | |
| 7175 | 8 64 | 90 | 7174 73 | 0 | 5 42 | 12 | 0 | HS | |
| 7200 | 11 64 | 90 | 7199 33 | 0 | 9 82 | 12 | 0 | HS | |
| 7225 | 14 64 | 90 | 7223 68 | 0 | 15 5 | 12 | 0 | H\$ | |
| 7250 | 17 64 | 90 | 7247 69 | 0 | 22 45 | 12 | 0 | HS | |
| 7275 | 20 64 | 90 | 7271 3 | 0 | 30 65 | 12 | 0 | HS | |
| 7300 | 23 64 | 90 | 7294 46 | 0 | 40 07 | 12 | 0 | HS | |
| 7325 | 26 64 | 90 | 7317 09 | 0 | 50 69 | 12 | 0 | - HS | |
| 7350 | 29 64 | 90 | 7339 13 | 0 | 62 48 | 12 | 0 | HS | |
| 7375 | 32 64 | 90 | 7360 52 | 0 | 75 4 | 12 | 0 | HS | |
| 7400 | 35 64 | 90 | 7381 21 | 0 | 89 43 | 12 | 0 | HS | |
| 7425 | 38 64 | 90 | 7401 14 | 0 | 104 53 | 12 | 0 | HS | |
| 7450 | 41 64 | 90 | 7420 25 | 0 | 120 64 | 12 | 0 | HS | |
| 7475 | 44 64 | 90 | 7438 49 | 0 | 137 73 | 12 | 0 | HS | |
| 7492 | 46.68 | 90 | 7450.37 | 第三张0 通标 | 149.89 | 12 | 0 0 | A. HS | FIRST BONE SPRINGS |
| 7500 | 47 64 | 90 | 7455 81 | 0 | 155 76 | 12 | 0 | HS | 1 |
| 7525 | 50 64 | 90 | 7472 16 | 0 | 174 66 | 12 | 0 | HS | |
| 7550 | 53 64 | 90 | 7487 51 | 0 | 194 4 | 12 | 0 | HS | |
| 7575 | 56.64 | 90 | 7501 79 | 0 | 214 91 | 12 | 0 | HS | |
| 7600 | 59 64 | 90 | 7514 99 | 0 | 236 14 | 12 | 0 | HS | |
| 7625 | 62 64 | 90 | 7527 05 | 0 | 258 03 | 12 | 0 | HS | |
| 7650 | 65 64 | 90 | 7537 96 | 0 | 280 53 | 12 | 0 | HS | |
| 7675 | 68 64 | 90 | 7547 67 | 0 | 303 56 | 12 | 0 | HS | |
| 7700 | 71 64 | 90 | 7556 16 | 0 | 327 07 | 12 | 0 | HS | |
| 7725 | 74 64 | 90 | 7563 41 | 0 | 350 99 | 12 | 0 | HS | |
| 7750 | 77 64 | 90 | 7569 4 | 0 | 375 26 | 12 | 0 | HS | |
| 7775 | 80 64 | 90 | 7574 11 | 0 | 399 81 | 12 | 0 | HS | |
| 7800 | 83 64 | 90 | 7577 53 | 0 | 424 58 | 12 | 0 | HS | |
| 7825 | 86 64 | 90 | 7579 64 | 0 | 449 48 | 12 | 0 | HS | |
| 7850 | 89 64 | 90 | 7580 45 | 0 | 474 47 | 12 | 0 | HS | |
| 7853.06 | 90.01 | 90 | 7580.46 | 0 | 477.52 | 0 | 新安兰 泰公 | | TARGET ZONE |
| 14635.53 | 90 | 90 | 7580 | 0.5 | 7260 | 0 9 | 人及测验的 玩。 | | LATERAL TD |

Pilot hole drilled vertically to 7850'. Well will be plugged back with 400' kick off plug at approx. 7000'-7400' and kicked off at approx 7103' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 14,635' MD (7,580' TVD) If hole conditions dictate, 7" casing will be set at 7000' (after kick off plug is set) and cemented to surface. A 6 1/8" hole will then be drilled to 14,635' MD (7,580' TVD) where 4 1/2" casing will be set and cemented. Penetration point encountered at 660' FNL and 808' FWL, 7-23S-29E. Deepest TVD in the well is 7850' in the pilot hole. Deepest TVD in the lateral will be 7580'. An isolation plug on the bottom of the pilot hole is not warranted on this well due to the fact that there will be no change in formation between the kick off plug and the bottom of the pilot hole.



Company: Yates Petroleum Corporation

Well: Culebra BLV Federal #1H



File: G:\drilling toolbox wellplans\Horizontal\culebra1h (7260' vs).wpp



Company: Yates Petroleum Corporation Well: Culebra BLV Federal #1H

| ,,,,,,, | | 1200 | 400 3600 | , | 6000; | 7,200 998 | 0 |
|-----------|-----|------|----------|---|-------|-----------|---|
| | , | | | ¥ | | | |
| | | | | 4 | | i | |
| * | | , | | | • | | |
| | | * | | | 4 | | |
| | 1 4 | | | | (| , D | |
| F * * * * | | | | | | | |
| | 1 | | 4 | | + | 1 | |
| | | | , | | | • | |
| 3 | 5 | 1 | | | | | |
| | 1 . | | 4 | 4 | ¥ | | |
| * | + | | | | 4 | : "300 | 1 |

File: G:\drilling toolbox wellplans\Horizontal\culebra1h (7260' vs).wpp