Form 3160-5
(August 1999)

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 a abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
NM-81952

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.
Llama ALL Federal #10H

2. Name of Operator
Yates Petroleum Corporation

9. API Well No.
30-015-37190

3a. Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No. *(include area code)*
(575) 748-1471

10. Field and Pool, or Exploratory Area
Delaware

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Surface: 330' FSL & 1980' FWL ,
BHL: 330' FNL & 1980 FWL ,
Section 7 T22S-R31E, Unit Letter (Surface N) (BHL C)

11. County or Parish, State
Eddy

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 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 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 Corportation respectfully requests permission to cement the intermediate casing in two stages as follows:

Packer stage tool to be placed between 2824' and 2855'.
For calculation purposes, we will assume packer stage tool placement at 2839'.
Stage I: Lead w/290sx 35/65 Poz C (YLD 2.08 Wt. 12.6), tail w/100sx Class C (YLD 1.33 Wt 14.8) TOC = 2839'
Stage II: Lead w/730sx 35/65 Poz C (YLD 2.08 Wt 12.6), tail w/100sx Class C (YLD 1.33 Wt. 14.8) TOC = Surface
Attached is the cement proposal from Schlumberger.

Thank-You

RECEIVED
FEB 01 2011
NMOCD ARTESIA

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

Name *(Printed/Typed)*	Title
Jeremiah Mullen	Well Planner
Signature Jeremiah Mullen	Date January 18, 2011

THIS SPACE FOR FEDERAL OR STATE USE

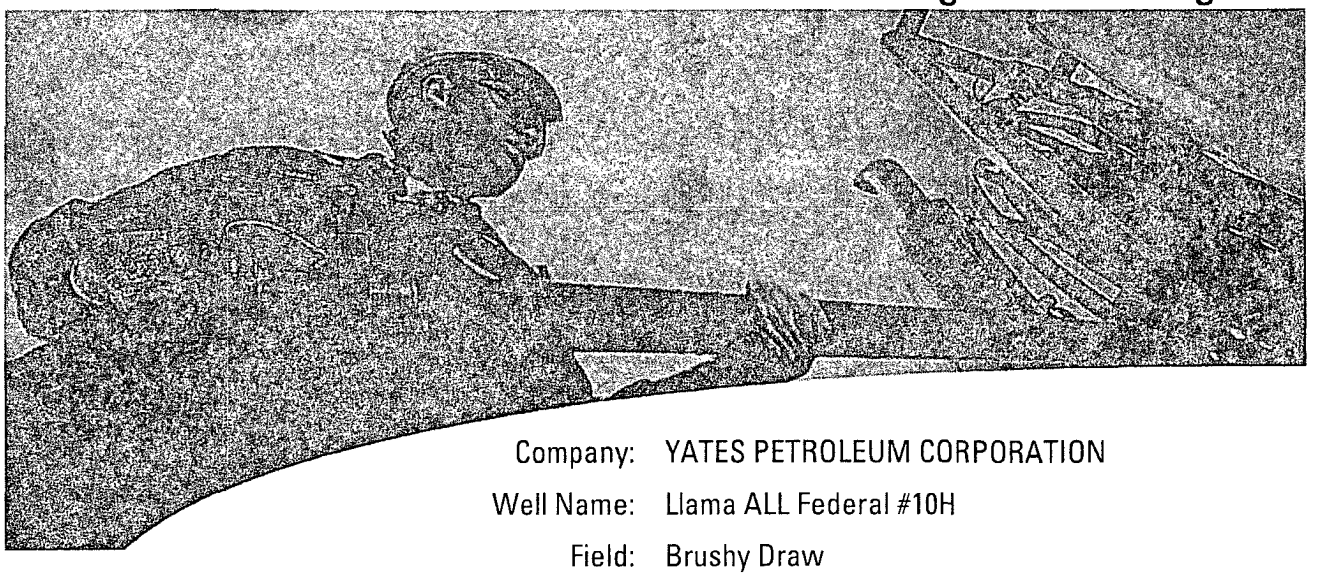
Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

(Instructions on reverse)

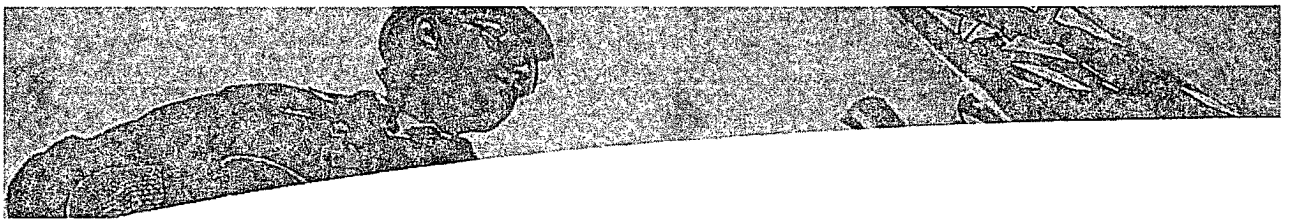
APPROVED
JAN 18 2011
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Multistage Cementing

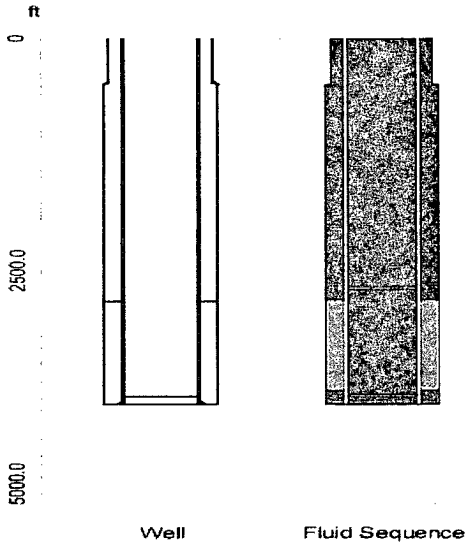


Company:	YATES PETROLEUM CORPORATION
Well Name:	Llama ALL Federal #10H
Field:	Brushy Draw
County:	Eddy
State:	NM
Date:	12/28/2010
Well Location:	Sec 7, T 22s, R 31e
API Number:	30-015-76041
Proposal Number:	1
Contact:	Mr. Tim Bussell
Made By:	Russell Crowe
Service from District:	Hobbs, NM
District Phone:	575-748-1392
Objective:	Cement 3950' of 9 5/8 casing in 12 1/4OH using 100% excess over open hole volume.

Schlumberger



WELL DATA Stage 1



IMPORTANT:
The well data shown on this page is based on information available when this treatment program was prepared. This data must be confirmed on location with the wellsite supervisor prior to the treatment. Any changes in the well data need to be reviewed for their impact on the treatment design.

Well Data	
Job Type :	Multistage Cementing
Total Depth (Measured) :	3950.0 ft
True Vertical Depth (TVD) :	3950.0 ft
BHST (Tubular Bottom Static Temperature) :	112 degF
BHCT (Tubular Bottom Circulating Temperature) :	97 degF

Open Hole		
Mean Diameter without Excess	Bottom Depth	Annular Excess
12.250 in	3950.0 ft	100.0 %

Previous Casing					
OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
13 3/8 in	48.0 lb/ft	H-40	STC	0.88 ft3/ft	510.0 ft

Casing					
OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
9 5/8 in	36.0 lb/ft	H-40	STC	0.43 ft3/ft	3950.0 ft

Annular Capacity (without Excess) : Casing Bottom / Open Hole : 0.31 ft3/ft
Annular Capacity (without Excess) : Previous Casing Bottom / Casing : 0.38 ft3/ft

Fluid Placement			
Fluid Name	Volume gal	Density lb/gal	Top of Fluid ft
Fresh Water	840	8.34	2659.7
Lead	4474	12.60	2839.0
Tail	991	14.80	3793.9
Fresh Water	3780	8.34	2705.9
Mud	8786	9.60	0.0

Total Liquid Volume : 18871 gal

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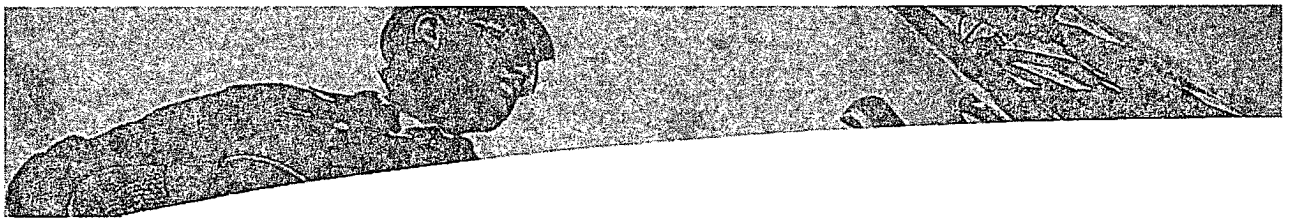
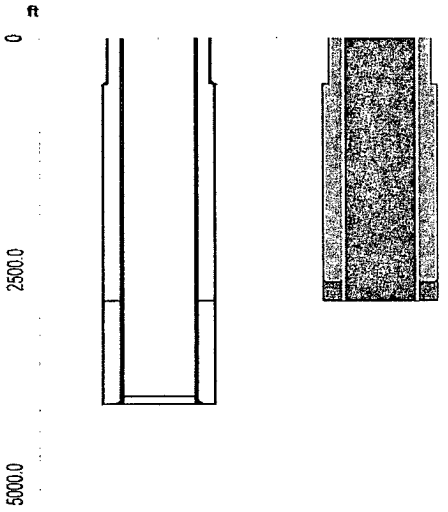


WELL DATA Stage 2



Well Data	
Job Type :	Multistage Cementing
Total Depth (Measured) :	3950.0 ft
True Vertical Depth (TVD) :	3950.0 ft
BHST (Tubular Bottom Static Temperature) :	103 degF
BHCT (Tubular Bottom Circulating Temperature) :	92 degF

Stage Collar	
Measured Depth :	**2839.0 ft**

Previous Casing

OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
13 3/8 in	48.0 lb/ft	H-40	STC	0.88 ft3/ft	510.0 ft

Casing

OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
9 5/8 in	36.0 lb/ft	H-40	STC	0.43 ft3/ft	3950.0 ft

Annular Capacity (without Excess) : Previous Casing Bottom / Casing : 0.38 ft3/ft

IMPORTANT:
The well data shown on this page is based on information available when this treatment program was prepared. This data must be confirmed on location with the wellsite supervisor prior to the treatment. Any changes in the well data need to be reviewed for their impact on the treatment design.

Fluid Placement

Fluid Name	Volume gal	Density lb/gal	Top of Fluid ft
Fresh Water	840	8.34	0.0
Lead	11358	12.60	0.0
Tail	991	14.80	2627.5
Fresh Water	9218	8.34	0.0

Total Liquid Volume : 22407 gal

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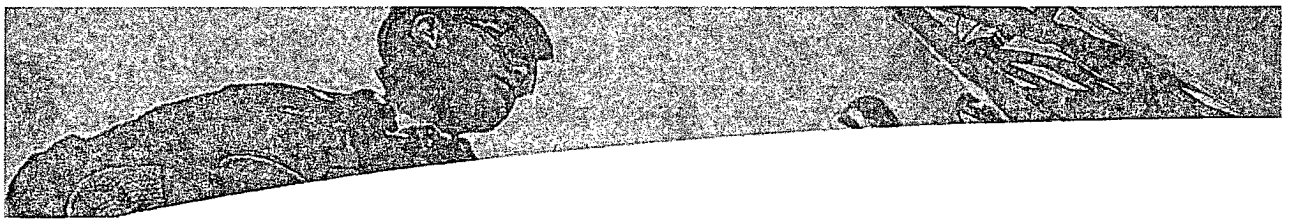


FLUID SYSTEMS Stage 1

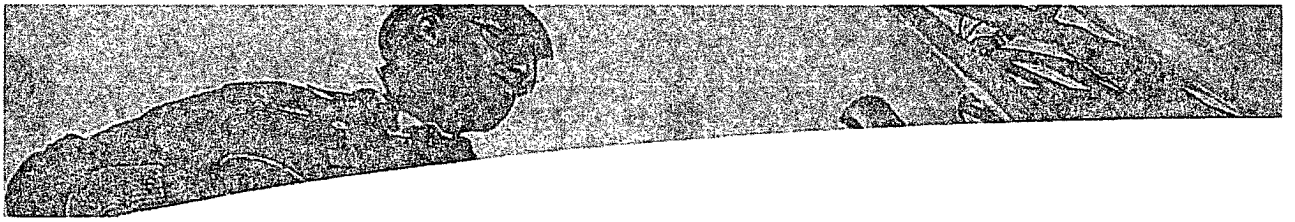
Fresh Water			
System	Water		
Density	8.34 lb/gal		
Total volume	4620 gal		
Additives	**Code**	**Description**	**Concentration**

Lead (290 sacks, 89 lb per sack of Blend) 35/65 Poz/C+5%D44BWOW+6%D20+0.2%D46+0.125PPSD130+2PPSD42			
System	Conventional		
Density	12.60 lb/gal		
Yield	2.08 ft3/sk		
Mixed Water	11.510 gal/sk		
Mixed Fluid	11.510 gal/sk		
Total volume	4474 gal		
Expected Thickening Time	70 Bc at 07:04 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	D044	NaCl	5.0 % BWOW
	D020	Extender	6.0 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D130	Lost Circulation Control Agent	0 lb/sk
	D042	Extender	2 lb/sk
	D903	Cement	61 lb/sk
	D132	Extender	28 lb/sk

Tail (100 sacks, 94 lb per sack of Blend) C+0.2%D13			
System	Conventional		
Density	14.80 lb/gal		
Yield	1.33 ft3/sk		
Mixed Water	6.352 gal/sk		
Mixed Fluid	6.352 gal/sk		
Total volume	991 gal		
Expected Thickening Time	70 Bc at 03:30 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	D013	Retarder	0.2 % BWOB
	C	Cement	94 lb/sk

Some of the chemicals specified in this program may have toxic properties. All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with such. Please refer to the MSDS sheets for the recommended safety precautions and required minimum personal protective equipment.

Schlumberger



FLUID SYSTEMS Stage 2

Fresh Water			
System	Water		
Density	8.34 lb/gal		
Total volume	10058 gal		
Additives	**Code**	**Description**	**Concentration**

Lead (730 sacks, 89 lb per sack of Blend) 35/65 Poz/C +5%D44BWOW+6%D20+0.2%D46+0.125PPSD130+2PPSD42			
System	Conventional		
Density	12.60 lb/gal		
Yield	2.08 ft3/sk		
Mixed Water	11.510 gal/sk		
Mixed Fluid	11.510 gal/sk		
Total volume	11358 gal		
Expected Thickening Time	70 Bc at 07:04 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	D044	NaCl	5.0 % BWOW
	D020	Extender	6.0 % BWOB
	D046	Anti Foam	0.2 % BWOB
	D130	Lost Circulation Control Agent	0.125 lb/sk
	D042	Extender	2 lb/sk
	D903	Cement	61 lb/sk
	D132	Extender	28 lb/sk

Tail (100 sacks, 94 lb per sack of Blend) C +0.2%d13			
System	Conventional		
Density	14.80 lb/gal		
Yield	1.33 ft3/sk		
Mixed Water	6.352 gal/sk		
Mixed Fluid	6.352 gal/sk		
Total volume	991 gal		
Expected Thickening Time	70 Bc at 03:30 hr:mn		
Additives	**Code**	**Description**	**Concentration**
	D013	Retarder	0.2 % BWOB
	C	Cement	94 lb/sk

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Schlumberger