

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.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. NMNM27276
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No
3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585		8. Well Name and No BENSON DEEP BDX FEDERAL COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T18S R30E SWSE 660FSL 2180FEL		9. API Well No 30-015-22793
		10. Field and Pool, or Exploratory WILDCAT; BONE SPRING
		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
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input checked="" type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 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 plans to recompleat this well as follows: RU any safety equipment as needed. NU BOP. Pull a CBL and verify TOC. Perforate 4 squeeze perforations 50' above the observed TOC. TIH with packer and set it 250' above the squeeze perforations. Open all valves on the bradenhead and attempt to break circulation behind the 5-1/2" casing. Set a cement retainer 50' above the squeeze perforations. Sting into the retainer. Pump a squeeze job to bring the new TOC up to +/-2600'. WOC and drill out the cement retainer. Perforate Bone Spring 8316'-8370' (55). Stimulate as needed. Swab test and evaluate. If well looks productive put it on pump to test. Set a composite BP at 8261'. Perforate Bone Spring 7410'-7450' (41). Stimulate as needed. Allow the gel to break and the resin to cure. Flow the well back if it will flow. TIH with bit to drill out composite BP and wash sand down to 8600'. TIH with production equipment and turn well over to production.

RECEIVED

OCT 20 2011

NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #116655 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 08/31/2011
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By PETROLEUM ENGINEER	Title
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

APPROVED

OCT 18 2011

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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 **

Accepted for record
NMOCD

Additional data for EC transaction #116655 that would not fit on the form

32. Additional remarks, continued

WELLBORE SCHEMATICS ATTACHED

WELL NAME: Benson Deep BDX Com #1 **FIELD:** Nimenim Ridge
LOCATION: 660' FSL & 2,180' FEL of Section 33-18S-30E Eddy Co., NM
GL: 3,404' **ZERO:** 14' **KB:** 3,418'
SPUD DATE: 1/27/79 **COMPLETION DATE:** 5/10/79
COMMENTS: API No.: 30-015-22793

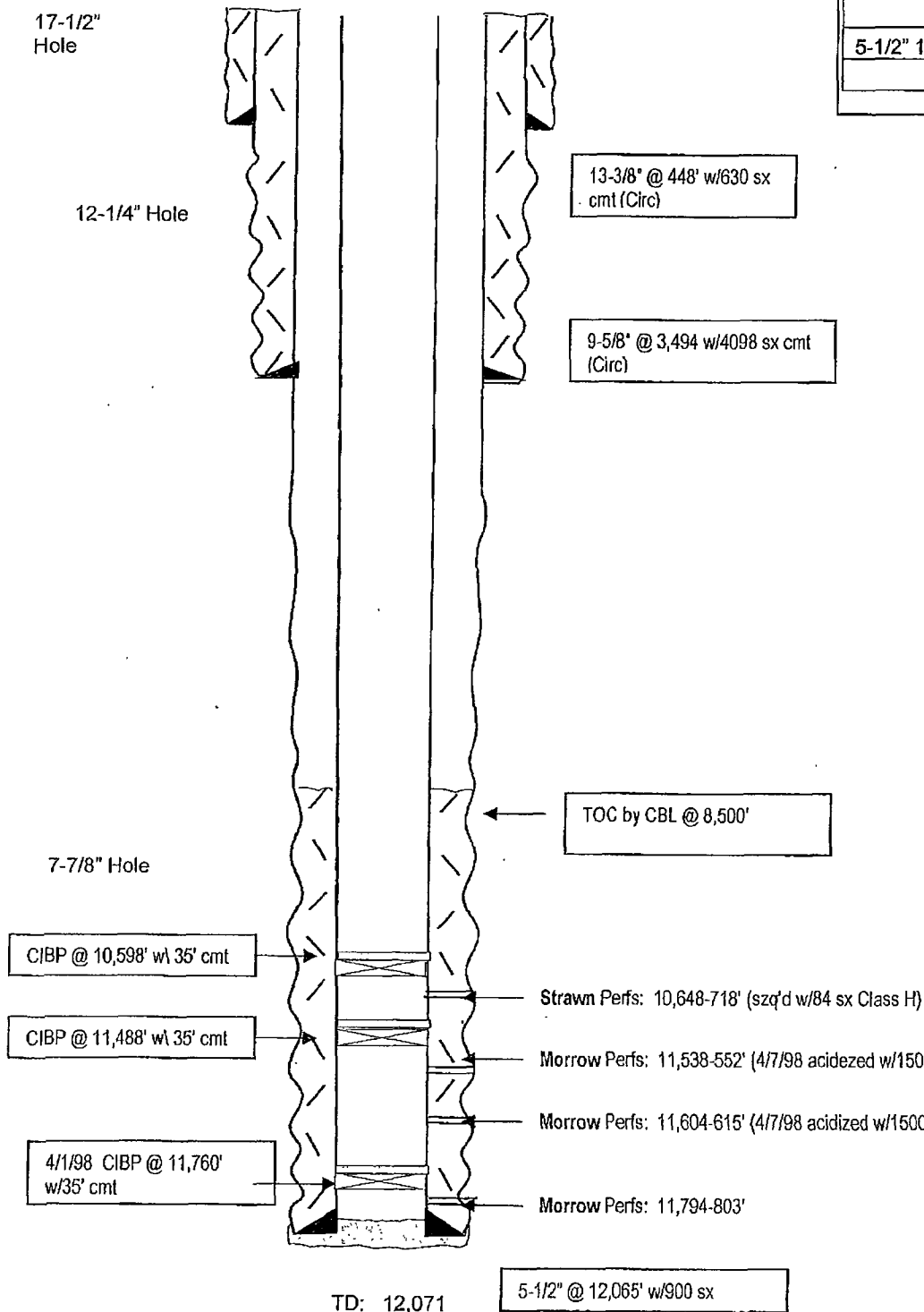
CASING PROGRAM

13-3/8" 50#	448'
9-5/8" 28#	3,494'
5-1/2" 17/15.5#	12,065'

Before

TOPS

BS	5,645'
1 st BS Sd	7,385'
3 rd BS Sd	9,110'
WC	9,540'
Strawn	10,637'
Atoka	10,858'
Morrow Lm	11,260'
Morrow Cl	11,525'



Not to Scale
 8/31/11
 Hill

WELL NAME: Benson Deep BDX Com #1

FIELD: Nimenim Ridge

LOCATION: 660' FSL & 2,180' FEL of Section 33-18S-30E

Eddy Co., NM

GL: 3,404' ZERO: 14' KB: 3,418'

SPUD DATE: 1/27/79 COMPLETION DATE: 5/10/79

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CASING PROGRAM

13-3/8" 50#	448'
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5-1/2" 17/15.5#	12,065'

17-1/2"
Hole

12-1/4" Hole

13-3/8" @ 448' w/630 sx
cmt (Circ)

New TOC @ 2,600'

9-5/8" @ 3,494 w/4098 sx cmt
(Circ)

Leo BS Perfs: 7,410-7,450' (41)

Leo BS Perfs: 8,316-8,370' (55)

Sqz Perfs @ +/- 8,450' 840 sx

TOC by CBL @ 8,500'

7-7/8" Hole

CIBP @ 10,598' w/ 35' cmt

CIBP @ 11,488' w/ 35' cmt

4/1/98 CIBP @ 11,760'
w/35' cmt

Strawn Perfs: 10,648-718' (szq'd w/84 sx Class H)

Morrow Perfs: 11,538-552' (4/7/98 acidezed w/1500 gls 7-1/2 + N2)

Morrow Perfs: 11,604-615' (4/7/98 acldized w/1500 sgl's 7-1/2 + N2)

Morrow Perfs: 11,794-803'

8/18/2000 fraced 34,000#
interprop

TD: 12,071

5-1/2" @ 12,065' w/900 sx

After

TOPS

BS	5,645'
1 st BS Sd	7,385'
3 rd BS Sd	9,110'
WC	9,540'
Strawn	10,637'
Atoka	10,858'
Morrow Lm	11,260'
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Not to Scale
8/31/11
Hill

Benson Deep BDX Federal Com 1
Yates Petroleum Company
30-015-22793
18 Oct 2011
Conditions of Approval

SUMMARY OF CURRENT STATUS:

- Secretary's Potash Area Well drilled by Napeco, Inc
- Drilled as Marrow Gas Well. Spud 12 Feb 1979. Casing program:
 - 13-3/8" 54.5# K-55 and S-80 at 448'. TOC at surface.
 - 9-5/8" 28# S-80 and 24# K-55 at 3490'. 2 stage, DVT at 1629'. TOC at surface.
 - 5-1/2" 17# N-80 and 15.5# K-55 at 12071'.
- Formation Tops:

Rustler	250'	Second Bone Springs Sand	8205'
Tansell	1590'	Third Bone Springs Sand	9142'
Yates	1750'	Wolfcamp	9540'
Seven Rivers	2121'	Cisco	10160'
Queen	2790'	Strawn	10640'
Capitan Reef	3432'	Atoka	10930'
Cherry Canyon	3830'	Atoka Bank Limestone	11130'
Brushy Canyon	4044'	Morrow	11310'
Bone Springs Limestone	5616'	Lower Morrow	11732'
First Bone Springs Sand	7389'	Mississippian	11943'
- DSTs in Morrow and Strawn
- New Operator – Yates Petroleum Corp effective 1 Oct 1980
- 17 Jun 1981 – Fracture Strawn Formation and returned to production July 1981.
- Mar 1998 – Squeezed Strawn Perforations 10648' – 10718' (Strawn);
Perforated 11794' – 11803', 11538' – 11615', 11538' – 11552', 11604' - 11615 (Morrow)
- Aug 2000 – Fractured Morrow perforations 11538' – 11615'.
- 19 Feb 2004 – Unit is terminated (last well).
- 11 Jul 2011 – Well is temporarily abandoned until low pressure sales pipeline connect is available. Current PBTD (CIBP with 35' cement) is 10598' with all perforations isolated below that depth. Casing MIT to 520 psi.

CURRENT SUNDRY REQUEST:

To place well on production as a Wildcat: Bone Spring oil well

CONDITIONS OF APPROVAL:

- a) **Surface Disturbance and Fracing Operations:** Not to exceed originally approved pad without prior approval.
- b) **Closed Loop System:** Required.
- c) **BOPE:** The Operator is responsible to provide BOPE of sufficient rating for proper well control. **2000 (2M) BOP or larger** to be used. (2M is based on formation water pressure gradient.) 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 (2M 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.
- d) **Wellbore Integrity:** Test casing as per Onshore Order 2.III.B.1.h
- e) **H2S:** Reported in sections to west, north, northeast. Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.
- f) **New TOC:** Operator is responsible to verify new TOC after pumping cement.
- g) **Logging:** A copy of the CBL and any other logs run shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies.
- h) **Subsequent Report Sundry:** Subsequent sundry to be filed detailing all work done. Sundry Notices must contain an original and 3 (three) copies including all attachments. (Please staple the Sundry Notice and Attachments together as sets.)
- i) **Completion Report:** to be sent within 30 days of completion and contain an original and 4 (four) copies including all attachments. (Please staple the well completion report and attachments together as sets.) **NOTE:** The Subsequent Report Sundry and the Completion Report may be submitted at the same time, but shall not be attached to each other.
- j) **Waste Materials and Fluids:** All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion 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. **Porto-johns and trash containers** will be on-location during fracturing operations or any other crew-intensive operations.