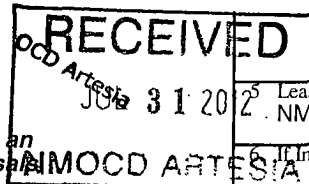


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Lease Serial No.
NMNM045276

If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7 If Unit or CA/Agreement, Name and/or No

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8 Well Name and No
PRESTON FEDERAL 25

2 Name of Operator

YATES PETROLEUM CORPORATION

Contact: TINA HUERTA

Mail: tinah@yatespetroleum.com

9. API Well No
30-015-30120

3a Address

105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4168

Fx: 575-748-4585

10. Field and Pool, or Exploratory
WILDCAT; BONE SPRING

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

Sec 34 T20.5S R23E SESW 660FSL 2310FWL

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"/> 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input checked="" 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 recomple 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 Corporation plans to plugback and recomple this well as follows:

1. MIRU WSU and all safety equipment as needed. NU BOP. POOH with production equipment and visually inspect the tubing and replace any bad or worn joints. TIH with tubing and retrieving tool to recover the RBP at 7676', loading the hole as necessary with fresh water.
2. Spot a 35 sx Class "H" cement plug across the liner top from 7929'-8079'.
3. 'Set a CIBP at 7468', over the Canyon perfs and cap it with 35' cement. Circulate and load the casing with fresh water.
4. Spot a 25 sx Class "C" cement plug across Wolfcamp top from 5680'-5830'.
5. Perforate Bone Spring 5570'-5578'(17) and 5600'-5606'(13).
6. Acidize with 3000g 20% gelled IC acid. Limit surface treating pressure to 5000 psi. Flush 2% KCL and friction reducer. Flow test and evaluate; consider turning the well over to production department.

**WITNESS
PLUG BACK**Accepted for record
NMOC D**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. Thereby certify that the foregoing is true and correct

Electronic Submission #140740 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 06/20/2012 ()

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 06/15/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE 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

WESLEY W. INGRAM

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 ****

Additional data for EC transaction #140740 that would not fit on the form

32. Additional remarks, continued

7. If Bone Spring was not productive; POOH with all tools, loading the hole as necessary with 2% KCL water. MIRU WL and set a CIBP at 5520' and cap it with 35' cement. Load the casing with 2% KCL water then perforate Yeso 2730'-2748'(19), 2812'-2822'(11), 2834'-2844'(11) and 2850'-2860'(11).

8. MIRU pumping company and casing saver to pump a fracture treatment at 70 BPM down the 7" casing limiting the surface treating pressure to 2800 psi. Set a pop off valve at 3000 psi. Pump the same treating schedule on all three jobs (see attached for frac details).

9. Do not flow the well back; set a flow through composite BP at 2670' and perforate Yeso 2424'-2454'(31), 2502'-2512'(11), 2530'-2544'(15) and 2564'-2600'(37).

10. MIRU pumping company and casing saver to pump a fracture treatment at 70 BPM down 7" casing limiting the surface treating pressure to 2800 psig. Set a pop off valve at 3000 psi.

11. Do not flow the well back; set a flow through composite BP at 2670' and perforate Yeso 2222'-2232'(11), 2236'-2240'(5), 2246'-2250'(5), 2254'-2264'(11) and 2318'-2334'(17).

12. MIRU pumping company and casing saver to pump a fracture treatment at 70 BPM down 7" casing limiting the surface treating pressure to 2800 psig. Set a pop off valve at 3000 psi.

13. Flow well back and allow the well to clean up. Drill out frac plugs and clean out the casing down to 3100'.

14. TIH with 2-7/8" tubing. Swab the well until it cleans up, TIH with pumping equipment and turn well over to production.

Frac details and wellbore schematics attached

with 2% KCL water and then perforate the Yeso in the following intervals with 1 JSPF, 60 degree phasing and 0.42" deep penetrating charges.

Stage I

2,730' - 2,748' (19), 2,812' - 2,822' (11), 2,834' 2,844' (11) and 2,850' - 2,860' (11)

52 shots total

Net Pay = 150'

8. MI RU pumping company and casing saver to pump a fracture treatment at 70 BPM down the 7" casing limiting the surface treating pressure to 2,800 psig. Set a pop off valve at 3,000 psi. Pump the same treating schedule on all three jobs.

----- Treating Schedule

| Stage Number | Stage Description | Fluid Description | Clean Stage Size (Gal) | Slurry Stage Size (Gal) | Clean Stage Size (BBLs) | Slurry Stage Size (BBLs) | Proppant Conc. (PPA) | Blender | Rate (BPM) | Time Stage (Min.) | Time Cum. (Min.) | Total Prop (Lbs.) | Cum. Prop (Lbs.) | Prop Type | % Prop |
|--------------|-------------------|-------------------|------------------------|-------------------------|-------------------------|--------------------------|----------------------|---------|------------|-------------------|------------------|-------------------|------------------|-----------|--------|
| 1 | Prepad | Slick Water | 1,000 | 1,000 | 24 | 24 | 0 | 0 | 70 | 0.3 | 0.3 | 0 | 0 | | 0.0 |
| 2 | Acid | 20% HCL | 4,000 | 4,000 | 95 | 95 | 0 | 0 | 70 | 1.4 | 1.4 | 0 | 0 | | 0.0 |
| 2 | Pad | Slick Water | 50,000 | 50,000 | 1,190 | 1,190 | 0 | 0 | 70 | 17.0 | 17.0 | 0 | 0 | | 0.0 |
| 3 | Slurry | Slick Water | 4,500 | 4,541 | 107 | 108 | 0.2 | 0.2 | 70 | 1.5 | 1.9 | 900 | 900 | 100 Mesh | 0.4 |
| 4 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 3.4 | 0 | 900 | | 0.0 |
| 5 | Slurry | Slick Water | 4,500 | 4,562 | 107 | 109 | 0.3 | 0.3 | 70 | 1.6 | 5.0 | 1,350 | 2,250 | 100 Mesh | 0.6 |
| 6 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 6.5 | 0 | 2,250 | | 0.0 |
| 7 | Slurry | Slick Water | 4,500 | 4,582 | 107 | 109 | 0.4 | 0.4 | 70 | 1.6 | 8.1 | 1,800 | 4,050 | 100 Mesh | 0.7 |
| 8 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 9.6 | 0 | 4,050 | | 0.0 |
| 9 | Slurry | Slick Water | 4,500 | 4,603 | 107 | 110 | 0.5 | 0.5 | 70 | 1.6 | 11.2 | 2,250 | 6,300 | 100 Mesh | 0.9 |
| 10 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 12.7 | 0 | 6,300 | | 0.0 |
| 11 | Slurry | Slick Water | 4,500 | 4,623 | 107 | 110 | 0.6 | 0.6 | 70 | 1.6 | 14.3 | 2,700 | 9,000 | 100 Mesh | 1.1 |
| 12 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 15.8 | 0 | 9,000 | | 0.0 |
| 13 | Slurry | Slick Water | 4,500 | 4,644 | 107 | 111 | 0.7 | 0.7 | 70 | 1.6 | 17.4 | 3,150 | 12,150 | 100 Mesh | 1.3 |
| 14 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 18.9 | 0 | 12,150 | | 0.0 |
| 15 | Slurry | Slick Water | 4,500 | 4,664 | 107 | 111 | 0.8 | 0.8 | 70 | 1.6 | 20.5 | 3,600 | 15,750 | 100 Mesh | 1.5 |
| 16 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 22.0 | 0 | 15,750 | | 0.0 |
| 17 | Slurry | Slick Water | 4,500 | 4,685 | 107 | 112 | 0.9 | 0.9 | 70 | 1.6 | 23.6 | 4,050 | 19,800 | 100 Mesh | 1.7 |
| 18 | Sweep | Slick Water | 4,500 | 4,500 | 107 | 107 | 0 | 0 | 70 | 1.5 | 25.1 | 0 | 19,800 | | 0.0 |
| 19 | Slurry | Slick Water | 4,500 | 4,705 | 107 | 112 | 1 | 1 | 70 | 1.6 | 26.7 | 4,500 | 24,300 | 100 Mesh | 1.9 |
| 20 | Sweep | Slick Water | 10,700 | 10,700 | 255 | 255 | 0 | 0 | 70 | 3.6 | 30.4 | 0 | 24,300 | | 0.0 |
| 21 | Slurry | Slick Water | 10,700 | 10,788 | 255 | 257 | 0.2 | 0.2 | 70 | 3.7 | 34.0 | 2,140 | 26,440 | 40/70 | 0.9 |
| 22 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 36.1 | 0 | 26,440 | | 0.0 |
| 23 | Slurry | Slick Water | 10,700 | 10,846 | 255 | 258 | 0.3 | 0.3 | 70 | 3.7 | 39.8 | 3,210 | 29,650 | 40/70 | 1.3 |
| 24 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 41.8 | 0 | 29,650 | | 0.0 |
| 25 | Slurry | Slick Water | 10,700 | 10,895 | 255 | 259 | 0.4 | 0.4 | 70 | 3.7 | 45.5 | 4,280 | 33,930 | 40/70 | 1.8 |
| 26 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 47.6 | 0 | 33,930 | | 0.0 |
| 27 | Slurry | Slick Water | 10,700 | 10,944 | 255 | 261 | 0.5 | 0.5 | 70 | 3.7 | 51.3 | 5,350 | 39,280 | 40/70 | 2.2 |
| 28 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 53.3 | 0 | 39,280 | | 0.0 |
| 29 | Slurry | Slick Water | 10,700 | 10,993 | 255 | 262 | 0.6 | 0.6 | 70 | 3.7 | 57.1 | 6,420 | 45,700 | 40/70 | 2.6 |
| 30 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 59.1 | 0 | 45,700 | | 0.0 |
| 31 | Slurry | Slick Water | 10,700 | 11,042 | 255 | 263 | 0.7 | 0.7 | 70 | 3.8 | 62.9 | 7,490 | 53,190 | 40/70 | 3.1 |
| 32 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 64.9 | 0 | 53,190 | | 0.0 |
| 33 | Slurry | Slick Water | 10,700 | 11,090 | 255 | 264 | 0.8 | 0.8 | 70 | 3.8 | 68.7 | 8,560 | 61,750 | 40/70 | 3.5 |
| 34 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 70.7 | 0 | 61,750 | | 0.0 |
| 35 | Slurry | Slick Water | 10,700 | 11,139 | 255 | 265 | 0.9 | 0.9 | 70 | 3.8 | 74.5 | 9,630 | 71,380 | 40/70 | 4.0 |
| 36 | Sweep | Slick Water | 6,000 | 6,000 | 143 | 143 | 0 | 0 | 70 | 2.0 | 76.5 | 0 | 71,380 | | 0.0 |
| 37 | Slurry | Slick Water | 10,700 | 11,188 | 255 | 266 | 1 | 1 | 70 | 3.8 | 80.4 | 10,700 | 82,080 | 40/70 | 4.4 |
| 38 | Pad | Slick Water | 17,000 | 17,000 | 405 | 405 | 0 | 0 | 70 | 5.8 | 86.1 | 0 | 82,080 | | 0.0 |
| 39 | Slurry | Slick Water | 17,000 | 17,775 | 405 | 423 | 1 | 1 | 70 | 8.0 | 92.2 | 17,000 | 99,080 | 15/30 | 7.0 |
| 40 | Slurry | Slick Water | 24,000 | 26,169 | 571 | 624 | 2 | 2 | 70 | 8.9 | 101.1 | 48,000 | 147,080 | 15/30 | 19.7 |
| 41 | Slurry | Slick Water | 32,000 | 36,378 | 762 | 860 | 3 | 3 | 70 | 12.4 | 113.5 | 98,000 | 243,080 | 15/30 | 39.5 |
| 42 | Flush | Slick Water | 8,000 | 8,000 | 190 | 190 | 0 | 0 | | 2.7 | 138.0 | 0 | 243,080 | | 0.0 |
| | TOTALS | | 448,500 | 459,584 | 10,679 | 10,942 | | | | 156 | | 243,080 | | | 100.0 |

District I
1625 N French Dr, Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St, Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6174
District IV
1220 S St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

RECEIVED

AUG 24 2012

MOCD ARTESIA

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 August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-015-30120 | ² Pool Code 96403 | ³ Pool Name Wildcat; Bone Spring |
| ⁴ Property Code 21046 | ⁵ Property Name Preston Federal | ⁶ Well Number 25 |
| ⁷ OGRID No. 025575 | ⁸ Operator Name Yates Petroleum Corporation | ⁹ Elevation 3790'GL |

| 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 |
| N | 34 | 20.55S | 23E | | 660 | South | 2310 | West | Eddy |

| ¹¹ 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 |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | 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.

| | | | | |
|---------------|--|--|--|--|
| ¹⁶ | | | | ¹⁷ OPERATOR CERTIFICATION <i>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</i> Signature: <u>Tina Huerta</u> Date: <u>August 21, 2012</u> Printed Name: <u>Tina Huerta</u> E-mail Address: <u>tinah@yatespetroleum.com</u> |
| | | | | |
| | | | | |
| | | | | |
| | | | | ¹⁸ SURVEYOR CERTIFICATION <i>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</i> Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____ |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

WELL NAME: Preston Federal # 25 FIELD: Dagger Draw

LOCATION: 660' FSL & 2,310' FWL of Section 34 -T20.5S - R23E Eddy Co., NM

GL: 3,790' ZERO: 18.6 KB: 3808.6'

SPUD DATE: 06/06/98 COMPLETION DATE: 12/20/97

COMMENTS: API No.: 30-015-30120

7" casing is whip stocked around stuck drill pipe in original hole.

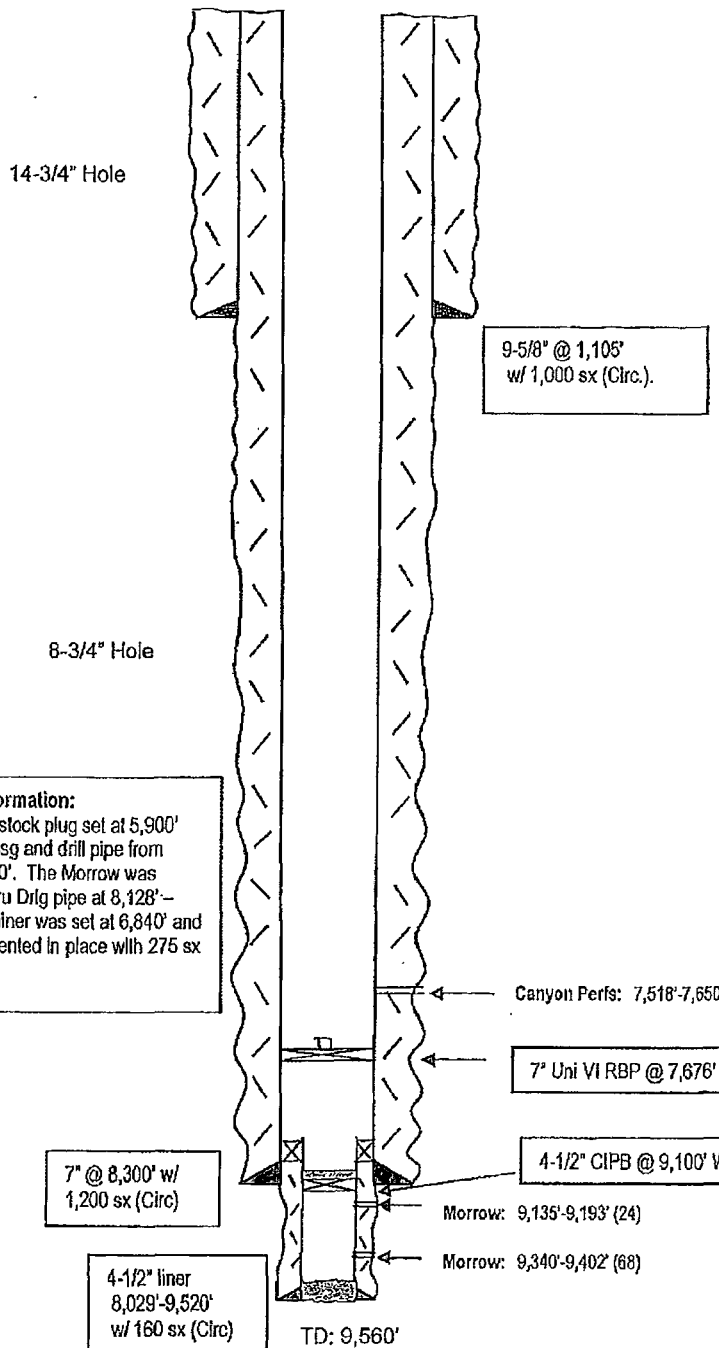
CASING PROGRAM

| | |
|----------------------------------|--------|
| 9-5/8" 36# J-55 ST&C | 1,105' |
| 7" 23# J-55 (5,282') Surface | |
| 7" 26# J-55 (1,808') | |
| 7" 23# J-55 (281') | |
| 7" 26# N-80 (936') Bottom | 8,300' |
| 4-1/2" liner | |
| 4-1/2" 11.6# N-80 Top | 8,029' |
| 4-1/2" 11.6# N-80 (1475') Bottom | 9,476' |

Before

TOPS

| | |
|-------------|--------|
| Glorieta | 1,990' |
| Bone Spring | 3,030' |
| WC | 5,780' |
| Canyon | 7,320' |
| Strawn | 8,160' |
| Atoka | 8,640' |
| Morrow | 9,010' |



Not to Scale
5/16/12
Hill

WELL NAME: Preston Federal # 25

FIELD: Dagger Draw

LOCATION: 660' FSL & 2,310' FWL of Section 34 -T20.5S - R23E Eddy Co., NM

GL: 3,790' ZERO: 18.6 KB: 3808.6'

SPUD DATE: 06/06/98 COMPLETION DATE: 12/20/97

COMMENTS: API No.: 30-015-30120

7" casing is whip stocked around stuck drill pipe in original hole.

CASING PROGRAM

| | |
|----------------------------------|--------|
| 9-5/8" 36# J-55 ST&C | 1,105' |
| 7" 23# J-55 (5,282') Surface | |
| 7" 26# J-55 (1,808') | |
| 7" 23# J-55 (281') | |
| 7" 26# N-80 (936') Bottom | 8,300' |
| 4-1/2" liner | |
| 4-1/2" 11.6# N-80 Top | 8029' |
| 4-1/2" 11.6# N-80 (1475') Bottom | 9476' |

After

TOPS

| | |
|-------------|--------|
| Glorieta | 1,990' |
| Bone Spring | 3,030' |
| WC | 5,780' |
| Canyon | 7,320' |
| Strawn | 8,160' |
| Atoka | 8,640' |
| Morrow | 9,010' |

14-3/4" Hole

9-5/8" @ 1,105'
w/ 1,000 sx (Circ.)

8-3/4" Hole

Old hole information:

230 sx Whip stock plug set at 5,900' over 4-1/2" csg and drill pipe from 6760' to 9,140'. The Morrow was perforated thru Drilg pipe at 8,128' - 8,138'. A retainer was set at 6,840' and this was cemented in place with 275 sx on 9-24-98.

Yeso Perfs: 2,222'-2,334' (48)

Yeso Perfs: 2,424'-2,600' (94)

Yeso Perfs: 2,730'-2,860' (52)

BS Perfs: 5,570'-5,578' (17),
5,600'-5,606' (13)

25 sx class C plug 5,680' - 5,830' across WC top

CIBP @ 7,468' W/ 35' cmt.

Canyon Perfs: 7,518'-7,650'

35 sx class H plug 7,929' - 8,079'

4-1/2" CIPB @ 9,100' W/ 35' cmt

Morrow: 9,135'-9,193' (24)

Morrow: 9,340'-9,402' (68)

7" @ 8,300' w/
1,200 sx (Circ)

4-1/2" liner
8,029'-9,520'
w/ 160 sx (Circ)

TD: 9,560'

Not to Scale
5/16/12
Hill

Conditions of Approval

Yates Petroleum Corporation

Preston Federal 25

API 30-015-30120

July 30, 2012

1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when recompleting to another pay zone.
2. Notify BLM 575-361-2822, a minimum of 24 hours prior to commencing plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose and a call back phone number. Note the contact, time and date in your subsequent report.
3. Surface disturbance beyond the existing pad shall have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H₂S monitoring equipment shall be on location.
6. A minimum of 3000 (3M) BOPE is to be used. 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 (3M) 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.
7. 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. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 8300' or below to top of cement.**
9. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
10. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of **4 hours(C)/8 hours(H)** recommended) as requested by BLM PET witness.
11. **Spot a minimum of a 25 sack Class "H" (mixed 15.6 lb/gal, 1.18 ft³/sx, and 5.2 g/sx) cement plug on the CIBP set at 9100' covering the Morrow formation top.**

12. Step 2. – Spot the “liner top” plug from 8350’ or below to 7990’. Tag the plug at 7990’ or shallower. This plug serves as the 7” shoe plug and liner top plug.
13. Step 3. – Tag the CIBP to be set at 7468’ (Canyon perforations) to verify depth and place a 25 sack class “H” (mixed 15.6 lb/gal, 1.18 ft³/sx, and 5.2 g/sx) cement plug.
14. After setting the Canyon plug and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 500 psig. Pressure leakoff may require correction prior to continuing the workover. Include a copy of the chart in the subsequent sundry for this workover.
15. Step 7. – If the CIBP at 5520’ is set, operator may cap it with 35’ of cement. Cement will have to be tagged to verify a 35’ cap or operator may set a 25 sack Class “C” (mixed 14.8 lb/gal, 1.32 ft³/sx, and 6.3 gal/sx water) cement plug. Operator shall set a 130’ Class “C” (mixed 14.8 lb/gal, 1.32 ft³/sx, and 6.3 gal/sx water) cement plug at the top of the Bone Spring formation top. Plug shall start a minimum of 50’ below and finish 50’ above the Bone Spring formation top at 3030’.
16. For the fracture treatment for the Yeso perforations at 2844’, operator shall provide information that confirms the fracture radius will not penetrate the Bone Spring formation or shall tag that fracture and submit the tracer survey results that verify that fracture material was not placed out of zone. Submit the tracer results with a Subsequent Report.
17. File a subsequent sundry Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram.
18. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
19. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS/WWI 073012

Access information for use of Form 3160-5 “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.