

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 ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMNM62211
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: NAOMI G SAIZ E-Mail: NSAIZ@YATESPETROLEUM.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4211	8. Well Name and No. HANAGAN APL FED COM 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R30E SWSW Lot L4 660FSL 180FWL		9. API Well No. 30-015-39801-00-X1
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

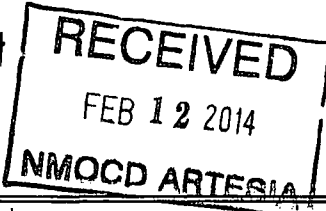
TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Change to Original A
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	PD

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 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 Corporation respectfully requests to make the following changes to our EOC TVD and production cementing job as per the paperwork attached. Target formation, SHL and BHL will remain the same. Thank you.

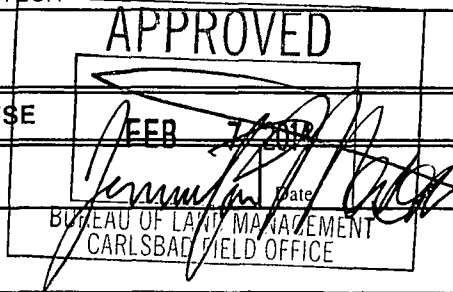
Accepted for record

NMOCD 105
2-12-2014



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #234755 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER MASON on 02/07/2014 (14JAM0146SE)	
Name (Printed/Typed) NAOMI G SAIZ	Title WELL PLANNING TECH
Signature (Electronic Submission)	Date 02/06/2014
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	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 _____	



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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Hanagan APL Federal Com #3H

Yates Petroleum Corporation respectfully requests to change our TVD at EOC to approx. 8649' MD (8425' TVD) due to lack of being able to build angle while drilling.

Yates Petroleum Corporation respectfully requests to change our production cementing as follows to help ensure to bring cement above the Capitan:

Well will be directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 8649' MD (8425' TVD). Hole size will then be reduced to 8 1/2" and drilled to 13,032' MD (8429' TVD) where 5 1/2" casing will be set and cemented to approx. 2200' with a DV/Packer stage tool at approx. 7300'-7500' and 4900'-5200'. Penetration point of producing zone will be encountered at 660' FSL and 650' FWL, 31-19S-30E. Deepest TVD is 8429' in the lateral.

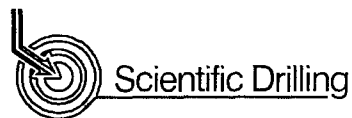
0		ft to		13,032 ft		Make up Torque ft-lbs			Total ft = 13,032		
O.D.		Weight		Grade		Threads		opt.		min. mx.	
5.5 inches		17 #/ft		P-110		BT&C					
Collapse Resistance		Internal Yield		Joint Strength		Body Yield				Drift	
7,480 psi		10,640 psi		568 ,000 #		546 ,000 #				4.767	

DV/Packer Stage tool placed approximately at 7300'-7500' and 4900'-5200' (cement volumes will be adjusted per tool placement). All volumes are calculated based on 35% open hole excess , 15% casing in casing excess.

Stage I: Lead w/1000sx PVL (YLD 1.82 WT 13, 9.3 gal/sk) 13,032'-7400' TOC =7400'

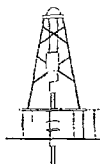
Stage II: Lead w/450sx PVL (YLD 1.82 WT 13, 9.3 gal/sk) 7400'-5000' TOC=5000'

Stage III: Lead w/380sx 35:65 PozC (YLD 2 WT 12.6, 11 gal/sk) tail w/100sx 50/50 PozC (YLD 1.34 WT 14.2, 6.2 gal/sk) 6500'-2200' TOC=2200'

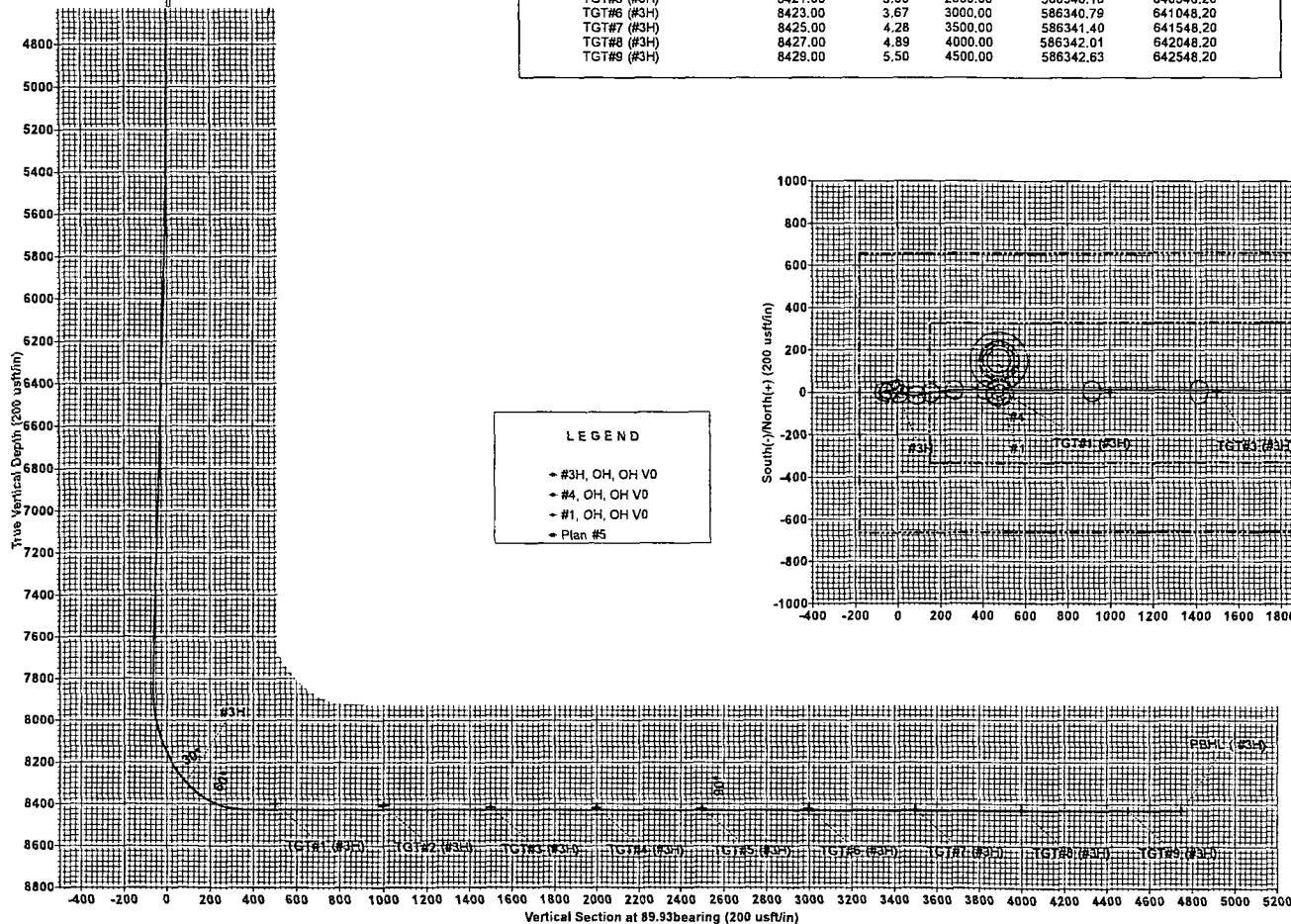


Azimuth to Grid North
True North: -0.17°
Magnetic North: 7.34°
Magnetic Field
Strength: 46597.1nT
Dip Angle: 60.44°
Date: 12/16/2013
Model: IGRF200510

Hanagan APL Federal Com #3H
Eddy County, NM (NAD83 NME)
Northing: (Y) 586337.13
Easting: (X) 638048.21
Plan #5



KB = 18.5 @ 3344.50usft (McVay 8)
Ground Level: 3326.00



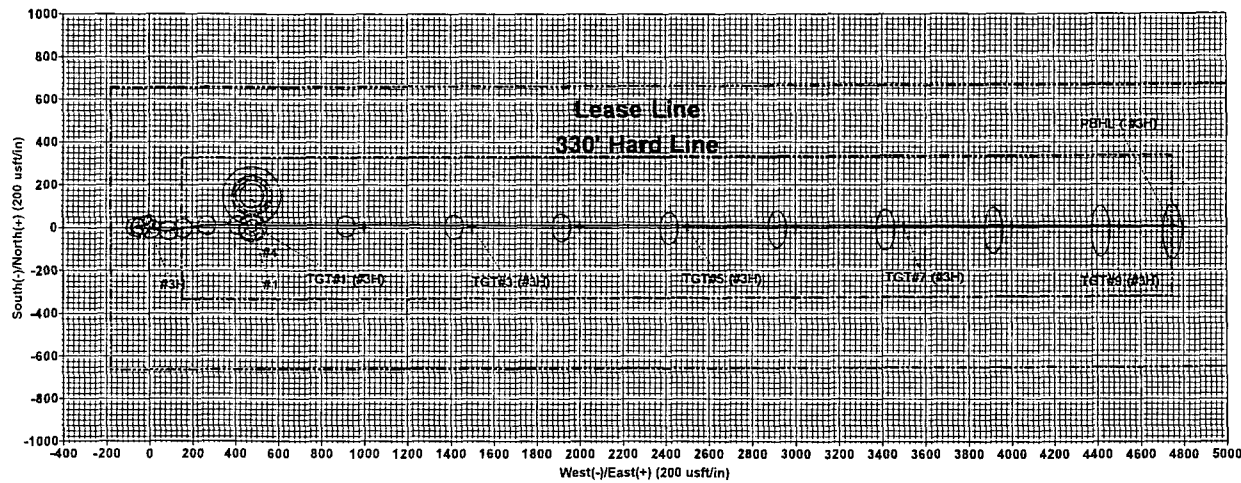
WELL DETAILS:					
Ground Level: 3326.00					
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	586337.13	638048.21	32° 36' 41.398 N	104° 1' 9.298 W

SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Target
8332.00	42.07	84.99	8294.01	-11.42	89.67	0.00	0.00	89.66	
8372.00	45.70	77.37	8322.85	-7.12	117.02	16.01	-58.30	117.01	
8648.85	89.95	90.12	8425.13	15.45	365.42	16.50	17.97	365.44	
13031.99	89.95	90.12	8429.00	6.02	4748.54	0.00	0.00	4748.55	PBHL (#3H)

DESIGN TARGET DETAILS					
Name	TVD	+N/-S	+E/-W	Northing	Easting
PBHL (#3H)	8429.00	6.02	4748.54	586343.14	642796.75
TGT#1 (#3H)	8389.00	0.61	500.00	586337.74	638548.21
TGT#2 (#3H)	8407.00	1.22	1000.00	586338.95	639048.21
TGT#3 (#3H)	8415.00	1.83	1500.00	586338.96	639548.20
TGT#4 (#3H)	8418.00	2.44	2000.00	586339.57	640048.20
TGT#5 (#3H)	8421.00	3.05	2500.00	586340.18	640548.20
TGT#6 (#3H)	8423.00	3.67	3000.00	586340.79	641048.20
TGT#7 (#3H)	8425.00	4.28	3500.00	586341.40	641548.20
TGT#8 (#3H)	8427.00	4.89	4000.00	586342.01	642048.20
TGT#9 (#3H)	8429.00	5.50	4500.00	586342.63	642548.20

Map System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone Name: New Mexico Eastern Zone
Local Origin: Well #3H, Grid North
Latitude: 32° 36' 41.398 N
Longitude: 104° 1' 9.298 W
Grid East: 638048.21
Grid North: 586337.13
Scale Factor: 1.000
Geomagnetic Model: IGRF200510
Sample Date: 16-Dec-13
Magnetic Declination: 7.51°
Dip Angle from Horizontal: 60.44°
Magnetic Field Strength: 46597
To convert Magnetic North to Grid, Add 7.34°
To convert Magnetic North to True, Add 7.51° East
To convert True North to Grid, Subtract 0.17°

PROJECT DETAILS: Eddy County, NM (NAD83 NME)
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level





Yates Petroleum Corp.

Eddy County, NM (NAD83 NME)

Hanagan APL Federal Com

#3H

OH

Plan: Plan #5

Standard Planning Report

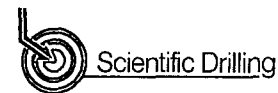
03 February, 2014



www.scientificdrilling.com



Planning Report



Database:	Midland District	Local Co-ordinate Reference:	Well #3H
Company:	Yates Petroleum Corp.	TVD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Project:	Eddy County, NM (NAD83 NME)	MD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Site:	Hanagan APL Federal Com	North Reference:	Grid
Well:	#3H	Survey/Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #5		

Project	Eddy County, NM (NAD83 NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Hanagan APL Federal Com		
Site Position:	Map	Northing:	586,337.13 usft
From:		Easting:	638,048.21 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16"
		Latitude:	32° 36' 41.398 N
		Longitude:	104° 1' 9.298 W
		Grid Convergence:	0.17°

Well	#3H		
Well Position	+N/-S	0.00 usft	Northing: 586,337.13 usft
	+E/-W	0.00 usft	Easting: 638,048.21 usft
Position Uncertainty	0.00 usft	Wellhead Elevation:	0.00 usft
		Latitude:	32° 36' 41.398 N
		Longitude:	104° 1' 9.298 W
		Ground Level:	3,326.00 usft

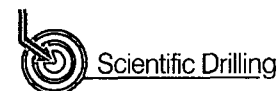
Wellbore	OH		
Magnetics	Model Name	Sample Date	Declination
	IGRF200510	12/16/2013	7.51
			Dip Angle
			60.44
			Field Strength
			48,597

Design	Plan #5		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 8,332.00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.00	0.00	0.00
			Direction
			(bearing)
			89.93

Plan Sections										
Measured	Inclination	Azimuth	Vertical	+N/-S	+E/-W	Dogleg	Build	Turn	TFO	Target
Depth	(°)	(bearing)	Depth	(usft)	(usft)	Rate	Rate	Rate	(°)	
(usft)			(usft)			(°/100usft)	(°/100usft)	(°/100usft)		
8,332.00	42.07	84.99	8,294.01	-11.42	89.67	0.00	0.00	0.00	0.00	
8,372.00	45.70	77.37	8,322.85	-7.12	117.02	16.01	9.08	-19.05	-58.30	
8,648.85	89.95	90.12	8,425.13	15.45	365.42	16.50	15.98	4.61	17.97	
13,031.99	89.95	90.12	8,429.00	6.02	4,748.54	0.00	0.00	0.00	0.00	PBHL (#3H)



Planning Report

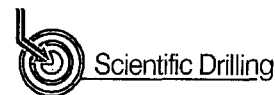


Database:	Midland District	Local Co-ordinate Reference:	Well #3H
Company:	Yates Petroleum Corp.	TVD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Project:	Eddy County, NM (NAD83 NME)	MD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Site:	Hanagan APL Federal Com	North Reference:	Grid
Well:	#3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #5		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (bearing)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.31	304.33	200.00	0.31	-0.45	-0.45	0.16	0.16	0.00
400.00	0.53	271.84	399.99	0.64	-1.82	-1.82	0.16	0.11	-16.25
600.00	0.55	246.41	599.99	0.29	-3.62	-3.62	0.12	0.01	-12.72
800.00	0.16	165.30	799.98	-0.37	-4.43	-4.43	0.27	-0.20	-40.56
1,000.00	0.89	44.39	999.97	0.47	-3.27	-3.27	0.49	0.37	-60.46
1,200.00	1.50	71.80	1,199.93	2.40	0.30	0.30	0.41	0.31	13.71
1,400.00	1.28	58.55	1,399.87	4.38	4.69	4.70	0.19	-0.11	-6.63
1,600.00	0.84	33.07	1,599.84	6.78	7.40	7.41	0.32	-0.22	-12.74
1,800.00	0.70	29.46	1,799.82	9.07	8.80	8.81	0.07	-0.07	-1.81
2,000.00	0.57	11.36	1,999.81	11.11	9.60	9.61	0.12	-0.07	-9.05
2,200.00	0.57	11.39	2,199.80	13.06	9.99	10.00	0.00	0.00	0.02
2,400.00	0.71	343.48	2,399.79	15.22	9.83	9.85	0.17	0.07	-13.96
2,600.00	0.88	340.00	2,599.77	17.85	8.95	8.98	0.09	0.09	-1.74
2,800.00	0.82	347.50	2,799.75	20.69	8.12	8.15	0.06	-0.03	3.75
3,000.00	0.87	338.24	2,999.72	23.50	7.25	7.28	0.07	0.03	-4.63
3,200.00	0.94	336.99	3,199.70	26.42	6.04	6.08	0.04	0.04	-0.63
3,400.00	0.87	341.65	3,399.67	29.37	4.92	4.96	0.05	-0.04	2.33
3,600.00	0.52	358.88	3,599.66	31.72	4.43	4.47	0.20	-0.18	8.62
3,800.00	0.53	2.49	3,799.65	33.55	4.45	4.49	0.02	0.01	1.81
4,000.00	0.28	0.78	3,999.65	34.96	4.50	4.54	0.13	-0.13	-0.86
4,200.00	0.14	309.77	4,199.64	35.61	4.32	4.36	0.11	-0.07	-25.51
4,400.00	0.49	227.10	4,399.64	35.18	3.50	3.55	0.25	0.18	-41.34
4,600.00	0.55	227.75	4,599.63	33.96	2.16	2.21	0.03	0.03	0.33
4,800.00	0.60	224.58	4,799.62	32.56	0.72	0.76	0.03	0.03	-1.59
5,000.00	0.68	227.39	4,999.61	31.02	-0.89	-0.85	0.04	0.04	1.41
5,200.00	0.47	228.79	5,199.60	29.67	-2.38	-2.34	0.11	-0.11	0.70
5,400.00	0.74	249.49	5,399.59	28.68	-4.21	-4.17	0.17	0.14	10.35
5,600.00	1.15	246.90	5,599.56	27.44	-7.26	-7.23	0.21	0.21	-1.30
5,800.00	1.55	238.80	5,799.51	25.25	-11.42	-11.39	0.22	0.20	-4.05
6,000.00	1.69	242.91	5,999.43	22.51	-16.36	-16.33	0.09	0.07	2.06
6,200.00	1.82	230.45	6,199.33	19.14	-21.44	-21.41	0.20	0.07	-6.23
6,400.00	1.38	221.28	6,399.26	15.31	-25.47	-25.45	0.25	-0.22	-4.59
6,600.00	1.30	239.94	6,599.20	12.36	-29.03	-29.01	0.22	-0.04	9.33
6,800.00	1.80	264.24	6,799.13	10.91	-34.12	-34.10	0.41	0.25	12.15
7,000.00	2.19	284.85	6,999.01	11.57	-40.93	-40.92	0.41	0.20	10.31
7,200.00	2.12	267.80	7,198.87	12.41	-48.33	-48.31	0.32	-0.04	-8.53
7,360.00	1.70	245.05	7,358.78	11.30	-53.43	-53.42	0.54	-0.26	-14.22
7,610.00	1.58	237.16	7,608.68	7.86	-59.69	-59.68	0.10	-0.05	-3.16
7,846.00	1.23	225.74	7,844.61	4.33	-64.24	-64.23	0.19	-0.15	-4.84
7,865.00	1.00	222.66	7,863.61	4.07	-64.50	-64.49	1.25	-1.21	-16.21
7,897.00	1.49	124.84	7,895.60	3.62	-64.35	-64.34	5.95	1.53	-305.69
7,928.00	5.32	95.53	7,926.54	3.26	-62.58	-62.58	13.18	12.35	-94.55
7,960.00	9.51	93.48	7,958.27	2.95	-58.47	-58.46	13.12	13.09	-6.41
7,991.00	13.01	94.87	7,988.67	2.50	-52.43	-52.43	11.32	11.29	4.48
8,023.00	13.75	93.27	8,019.80	1.98	-45.05	-45.04	2.59	2.31	-5.00
8,054.00	15.65	94.87	8,049.78	1.41	-37.20	-37.20	6.27	6.13	5.16
8,086.00	18.55	94.60	8,080.37	0.64	-27.82	-27.82	9.07	9.06	-0.84
8,117.00	21.46	96.36	8,109.49	-0.39	-17.27	-17.27	9.58	9.39	5.68
8,149.00	24.01	97.15	8,139.00	-1.85	-4.99	-4.99	8.03	7.97	2.47
8,181.00	25.06	100.49	8,168.12	-3.89	8.13	8.13	5.43	3.28	10.44
8,212.00	27.52	101.64	8,195.91	-6.53	21.60	21.60	8.10	7.94	3.71
8,244.00	31.13	98.74	8,223.80	-9.28	37.03	37.02	12.12	11.28	-9.06
8,275.00	35.23	95.17	8,249.75	-11.30	53.86	53.85	14.65	13.23	-11.52



Planning Report



Database:	Midland District	Local Co-ordinate Reference:	Well: #3H
Company:	Yates Petroleum Corp.	TVD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Project:	Eddy County, NM (NAD83/NME)	MD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Site:	Hanagan APL Federal/Com	North Reference:	Grid
Well:	#3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #5		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (bearing)	Vertical Depth (usft)	N/S (usft)	E/W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,306.00	39.71	90.23	8,274.35	-12.15	72.68	72.67	17.39	14.45	-15.94
8,332.00	42.07	84.99	8,294.01	-11.42	89.67	89.66	16.01	9.08	-20.15
Start DLS 16:01 TFO -58:30									
8,350.00	43.64	81.44	8,307.21	-9.97	101.82	101.81	16.01	8.73	-19.74
8,372.00	45.70	77.37	8,322.85	-7.12	117.02	117.01	16.01	9.36	-18.48
Start DLS 17:42 TFO 16:89 Projection to Bit									
8,375.00	46.17	77.58	8,324.94	-6.65	119.12	119.11	16.52	15.72	7.07
8,400.00	50.11	79.23	8,341.62	-2.92	137.36	137.36	16.50	15.76	6.58
8,425.00	54.07	80.69	8,356.98	0.51	156.78	156.78	16.50	15.84	5.86
8,450.00	58.05	82.02	8,370.93	3.63	177.28	177.28	16.50	15.90	5.30
8,475.00	62.04	83.23	8,383.42	6.40	198.76	198.76	16.50	15.95	4.86
8,500.00	66.03	84.36	8,394.36	8.83	221.10	221.11	16.50	15.99	4.51
8,525.00	70.04	85.42	8,403.71	10.89	244.18	244.20	16.50	16.03	4.24
8,550.00	74.05	86.43	8,411.41	12.58	267.90	267.92	16.50	16.05	4.03
8,575.00	78.07	87.39	8,417.43	13.88	292.12	292.14	16.50	16.07	3.87
8,600.00	82.09	88.33	8,421.74	14.80	316.73	316.75	16.50	16.08	3.76
8,625.00	86.11	89.25	8,424.31	15.32	341.59	341.60	16.50	16.09	3.68
8,643.89	89.15	89.94	8,425.09	15.46	360.46	360.48	16.50	16.09	3.65
Start DLS 2:00 TFO -163:26									
8,645.19	89.36	89.99	8,425.11	15.46	361.76	361.78	16.50	16.09	3.64
Start 506:07 hold at 8645:19 MD									
8,648.85	89.95	90.12	8,425.13	15.45	365.42	365.44	16.50	16.09	3.64
8,700.00	89.95	90.12	8,425.17	15.34	416.57	416.59	0.00	0.00	0.00
8,800.00	89.95	90.12	8,425.26	15.13	516.57	516.58	0.00	0.00	0.00
8,900.00	89.95	90.12	8,425.35	14.91	616.57	616.58	0.00	0.00	0.00
9,000.00	89.95	90.12	8,425.44	14.70	716.57	716.58	0.00	0.00	0.00
9,100.00	89.95	90.12	8,425.53	14.48	816.56	816.58	0.00	0.00	0.00
9,151.26	89.95	90.12	8,425.57	14.37	867.82	867.84	0.00	0.00	0.00
Start DLS 2:00 TFO -162:42									
9,200.00	89.95	90.12	8,425.62	14.27	916.56	916.58	0.00	0.00	0.00
9,282.22	89.95	90.12	8,425.69	14.09	998.79	998.80	0.00	0.00	0.00
TD at 9282.22									
9,300.00	89.95	90.12	8,425.70	14.05	1,016.56	1,016.58	0.00	0.00	0.00
9,400.00	89.95	90.12	8,425.79	13.84	1,116.56	1,116.58	0.00	0.00	0.00
9,500.00	89.95	90.12	8,425.88	13.62	1,216.56	1,216.58	0.00	0.00	0.00
9,600.00	89.95	90.12	8,425.97	13.41	1,316.56	1,316.58	0.00	0.00	0.00
9,700.00	89.95	90.12	8,426.06	13.19	1,416.56	1,416.58	0.00	0.00	0.00
9,800.00	89.95	90.12	8,426.15	12.98	1,516.56	1,516.58	0.00	0.00	0.00
9,900.00	89.95	90.12	8,426.23	12.76	1,616.56	1,616.58	0.00	0.00	0.00
10,000.00	89.95	90.12	8,426.32	12.54	1,716.56	1,716.58	0.00	0.00	0.00
10,100.00	89.95	90.12	8,426.41	12.33	1,816.56	1,816.58	0.00	0.00	0.00
10,200.00	89.95	90.12	8,426.50	12.11	1,916.56	1,916.58	0.00	0.00	0.00
10,300.00	89.95	90.12	8,426.59	11.90	2,016.56	2,016.58	0.00	0.00	0.00
10,400.00	89.95	90.12	8,426.68	11.68	2,116.56	2,116.57	0.00	0.00	0.00
10,500.00	89.95	90.12	8,426.76	11.47	2,216.56	2,216.57	0.00	0.00	0.00
10,600.00	89.95	90.12	8,426.85	11.25	2,316.56	2,316.57	0.00	0.00	0.00
10,700.00	89.95	90.12	8,426.94	11.04	2,416.56	2,416.57	0.00	0.00	0.00
10,800.00	89.95	90.12	8,427.03	10.82	2,516.56	2,516.57	0.00	0.00	0.00
10,900.00	89.95	90.12	8,427.12	10.61	2,616.56	2,616.57	0.00	0.00	0.00
11,000.00	89.95	90.12	8,427.21	10.39	2,716.56	2,716.57	0.00	0.00	0.00
11,100.00	89.95	90.12	8,427.29	10.18	2,816.56	2,816.57	0.00	0.00	0.00
11,200.00	89.95	90.12	8,427.38	9.96	2,916.56	2,916.57	0.00	0.00	0.00
11,300.00	89.95	90.12	8,427.47	9.75	3,016.56	3,016.57	0.00	0.00	0.00



Planning Report

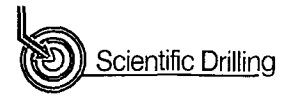


Database:	Midland District	Local Co-ordinate Reference:	Well #3H
Company:	Yates Petroleum Corp.	TVD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Project:	Eddy County, NM (NAD83 NME)	MD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Site:	Hanagan APL Federal Com	North Reference:	Grid
Well:	#3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #5		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (bearing)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11,400.00	89.95	90.12	8,427.56	9.53	3,116.56	3,116.57	0.00	0.00	0.00
11,500.00	89.95	90.12	8,427.65	9.31	3,216.56	3,216.57	0.00	0.00	0.00
11,600.00	89.95	90.12	8,427.74	9.10	3,316.56	3,316.57	0.00	0.00	0.00
11,700.00	89.95	90.12	8,427.82	8.88	3,416.56	3,416.57	0.00	0.00	0.00
11,800.00	89.95	90.12	8,427.91	8.67	3,516.56	3,516.57	0.00	0.00	0.00
11,900.00	89.95	90.12	8,428.00	8.45	3,616.56	3,616.57	0.00	0.00	0.00
12,000.00	89.95	90.12	8,428.09	8.24	3,716.56	3,716.56	0.00	0.00	0.00
12,100.00	89.95	90.12	8,428.18	8.02	3,816.56	3,816.56	0.00	0.00	0.00
12,200.00	89.95	90.12	8,428.27	7.81	3,916.56	3,916.56	0.00	0.00	0.00
12,300.00	89.95	90.12	8,428.35	7.59	4,016.56	4,016.56	0.00	0.00	0.00
12,400.00	89.95	90.12	8,428.44	7.38	4,116.56	4,116.56	0.00	0.00	0.00
12,500.00	89.95	90.12	8,428.53	7.16	4,216.56	4,216.56	0.00	0.00	0.00
12,600.00	89.95	90.12	8,428.62	6.95	4,316.56	4,316.56	0.00	0.00	0.00
12,700.00	89.95	90.12	8,428.71	6.73	4,416.56	4,416.56	0.00	0.00	0.00
12,800.00	89.95	90.12	8,428.80	6.52	4,516.56	4,516.56	0.00	0.00	0.00
12,900.00	89.95	90.12	8,428.88	6.30	4,616.55	4,616.56	0.00	0.00	0.00
13,000.00	89.95	90.12	8,428.97	6.08	4,716.55	4,716.56	0.00	0.00	0.00
13,031.99	89.95	90.12	8,429.00	6.02	4,748.54	4,748.55	0.00	0.00	0.00



Planning Report



Database:	Midland District	Local Co-ordinate Reference:	Well #3H
Company:	Yates Petroleum Corp.	TVD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Project:	Eddy County, NM (NAD83 NME)	MD Reference:	KB = 18.5 @ 3344.50usft (McVay 8)
Site:	Hanagan APL Federal Com	North Reference:	Grid
Well:	#3H	Survey/Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #5		

Design Targets									
Target Name	hit/miss target	Dip Angle (%)	Dip Dir (bearing)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude Longitude
TGT#1 (#3H)	- plan misses target center by 30.01usft at 8783.44usft MD (8425.25 TVD, 15.16 N, 500.01 E)	0.00	0.01	8,399.00	0.61	500.00	586,337.74	638,548.21	32° 36' 41.389 N 104° 1' 3.453 W
- Point									
TGT#2 (#3H)	- plan misses target center by 22.69usft at 9283.45usft MD (8425.69 TVD, 14.09 N, 1000.01 E)	0.00	0.00	8,407.00	1.22	1,000.00	586,338.35	639,048.21	32° 36' 41.381 N 104° 0' 57.607 W
- Point									
TGT#3 (#3H)	- plan misses target center by 15.77usft at 9783.45usft MD (8426.13 TVD, 13.01 N, 1500.01 E)	0.00	0.01	8,415.00	1.83	1,500.00	586,338.96	639,548.21	32° 36' 41.372 N 104° 0' 51.761 W
- Point									
TGT#4 (#3H)	- plan misses target center by 12.79usft at 10283.45usft MD (8426.57 TVD, 11.93 N, 2000.01 E)	0.00	0.01	8,418.00	2.44	2,000.00	586,339.57	640,048.21	32° 36' 41.363 N 104° 0' 45.916 W
- Point									
TGT#5 (#3H)	- plan misses target center by 9.85usft at 10783.45usft MD (8427.01 TVD, 10.86 N, 2500.01 E)	0.00	0.00	8,421.00	3.05	2,500.00	586,340.19	640,548.21	32° 36' 41.354 N 104° 0' 40.070 W
- Point									
TGT#6 (#3H)	- plan misses target center by 7.57usft at 11283.45usft MD (8427.46 TVD, 9.78 N, 3000.01 E)	0.00	0.00	8,423.00	3.67	3,000.00	586,340.80	641,048.21	32° 36' 41.345 N 104° 0' 34.224 W
- Point									
TGT#7 (#3H)	- plan misses target center by 5.29usft at 11783.45usft MD (8427.90 TVD, 8.70 N, 3500.00 E)	0.00	0.00	8,425.00	4.28	3,500.00	586,341.41	641,548.21	32° 36' 41.336 N 104° 0' 28.378 W
- Point									
TGT#8 (#3H)	- plan misses target center by 3.05usft at 12283.45usft MD (8428.34 TVD, 7.63 N, 4000.00 E)	0.00	0.01	8,427.00	4.89	4,000.00	586,342.02	642,048.21	32° 36' 41.327 N 104° 0' 22.533 W
- Point									
TGT#9 (#3H)	- plan misses target center by 1.08usft at 12783.44usft MD (8428.78 TVD, 6.55 N, 4500.00 E)	0.00	0.01	8,429.00	5.50	4,500.00	586,342.63	642,548.21	32° 36' 41.318 N 104° 0' 16.687 W
- Point									
PBHL (#3H)	- plan hits target center	0.00	0.00	8,429.00	6.02	4,748.54	586,343.15	642,796.75	32° 36' 41.315 N 104° 0' 13.781 W
- Point									

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
8,332.00	8,294.01	-11.42	89.67	Start DLS 16.01 TFO -58.30
8,372.00	8,322.85	-7.12	117.02	Start DLS 17.42 TFO 18.89
8,372.00	8,322.85	-7.12	117.02	Projection to Bit
8,643.89	8,425.09	15.46	360.46	Start DLS 2.00 TFO -163.26
8,645.19	8,425.11	15.46	361.76	Start 506.07 hold at 8645.19 MD
9,151.26	8,425.57	14.37	867.82	Start DLS 2.00 TFO -152.42
9,282.22	8,425.69	14.09	998.79	TD at 9282.22

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Yates Petroleum Corporation
LEASE NO.:	NM-62211
WELL NAME & NO.:	Hanagan APL Fed #3H
SURFACE HOLE FOOTAGE:	660' FSL & 180' FWL
BOTTOM HOLE FOOTAGE:	660' FSL & 330' FEL
LOCATION:	Section 31, T. 19 S., R. 30 E., NMPM
COUNTY:	Eddy County, New Mexico

1. The minimum required fill of cement behind the **5-1/2** inch production casing is:

Operator has proposed a two DV tools one between 7500'-7300' and one between 4900'-5200'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage. **Excess calculates to negative 15% - Additional cement will be required.**

- b. Second stage above DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

- c. Third stage above DV tool:

☒ Cement should tie-back a minimum of **50 feet above the Capitan Reef**. Operator shall provide method of verification.

JAM 020714