

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM57274
2. Name of Operator YATES PETROLEUM CORPORATION Contact: NAOMI G SAIZ E-Mail: nsaliz@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4211	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T24S R31E NENE 200FNL 660FEL		8. Well Name and No. HARACZ AMO FEDERAL 10H
		9. API Well No. 30-015-40963-00-X1
		10. Field and Pool, or Exploratory UNDESIGNATED
		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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A.
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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 respectfully requests permission to make the following changes to our approved APD as per the attached paperwork.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOC D
TOS
4-2-2014

14. I hereby certify that the foregoing is true and correct. Electronic Submission #235402 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER MASON on 03/27/2014 (14JAM0340SE)	
Name (Printed/Typed) NAOMI G SAIZ	Title WELL PLANNING TECH
Signature (Electronic Submission)	Date 02/12/2014
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.	

APPROVED

MAR 28 2014

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Haracz AMO Federal #10H

Yates Petroleum Corporation respectfully requests to make the following changes to the approved APD:

It is requested to remove the pilot hole from this well.

Intermediate:

Well will be drilled vertically with a 12 1/4" hole to an approx. depth of 4,630' where 9 5/8" casing will be set and cemented to surface. 9 5/8" casing will be either J-55 or K-55.

0 ft to 80 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625inches	40 #/ft	J-55	LT&C	5,200	3,900	6,500	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,570 psi	3,950 psi	520 ,000 #		546 ,000 #		8.75-SD	

80 ft to 3,300 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625inches	36 #/ft	J-55	LT&C	4,530	3,400	5,660	3,220
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,020 psi	3,950 psi	394 ,000		564 ,000 #		8.765	

3,300 ft to 4,200 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625inches	40 #/ft	J-55	BT&C	5,200	3,900	6,500	900
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,570 psi	3,950 psi	520 ,000 #		546 ,000 #		8.75-SD	

4,200 ft to 4,630 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625inches	40 #/ft	HCK-55	LT&C	6,940	5,210	8,680	430
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,230 psi	3,950 psi	604 ,000 #		630 ,000 #		8.75-SD	

Casing will be cemented as follows:

Lead w/1315sx 35/65 PozC (YLD 2 WT 12.5, 11 gal/sk) tail w/200sx Class C (YLD 1.34 WT 14.8, 6.23 gal/sk) 100% excess TOC=0'

Production:

Well will be drilled vertically to approx. 10153'. Well will then be kicked off at approx. 10153' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 10907' MD (10631' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15176' MD (10600' TVD) where 5 1/2" casing will then be set and cemented approx. 500' into previous casing string. Production casing will be cemented in two stages with a DV/packer stage tool at approx. 7000'-7500' (cement volumes will be adjusted per tool placement). Penetration point encountered at 681' FNL and 660' FEL, 24-24S-31E. Deepest TVD is 10631' in the lateral.

0 ft to 15,176 ft		Make up Torque ft-lbs		Total ft = 15,176
O.D.	Weight	Grade	Threads opt.	
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 7000'-7500' (cement volumes will be adjusted per tool placement)

Stage I: Lead w/510sx 35/65 PozC (YLD 2 WT 12.5, 11 gal/sk), tail w/875sx PVL (YLD 1.83 WT 13, 9.3 gal/sk) 15,176-7100' 35% Excess, TOC=7100'

Stage II: Lead w/375sx 35/65 PozC (YLD 2 WT 12.5, 11 gal/sk) tail w/205sx Class C (YLD 1.34 WT 14.8, 6.2 gal/sk) 7100'-4100' 35% Excess, TOC=4100'

Contingency Cement Design:

If hole conditions dictate a 3 stage job will be pumped as follows:

Production casing will be cemented in three stages with a DV/packer stage tool at approx. 9,500'-10,000' and at approx. 7000'-7500' (cement volumes will be adjusted per tool placement).

Stage I: Lead w/895sx PVL (YLD 1.83 WT 13, 9.3 gal/sk) 15,176-10,000' 35% Excess, TOC=10,000'

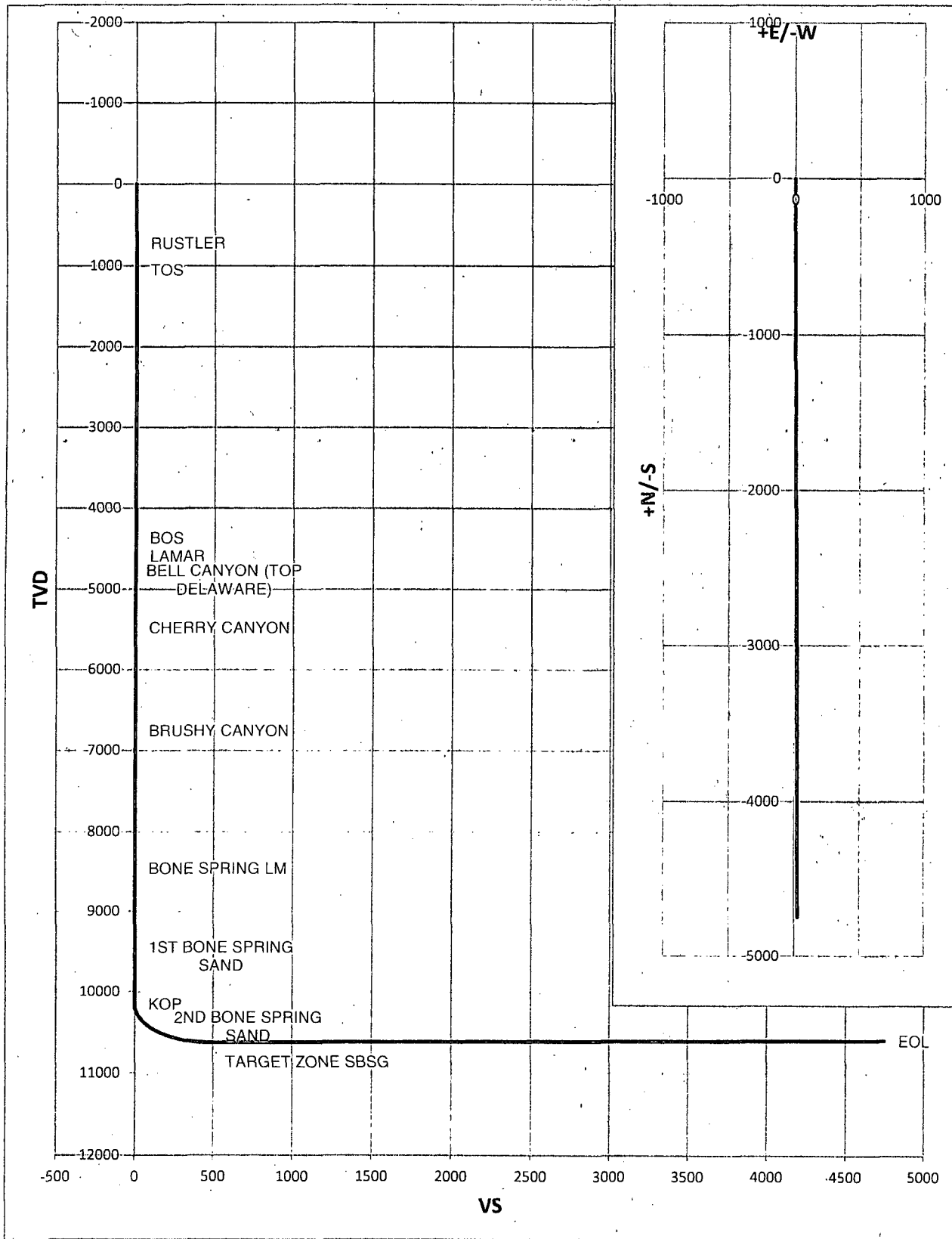
Stage II: Lead w/360sx 35/65 PozC (YLD 2 WT 12.5, 11 gal/sk) tail w/205sx Class C (YLD 1.34 WT 14.8, 6.2 gal/sk) 10,000'-7100' 35% Excess, TOC=7100'

Stage III: Lead w/375sx 35/65 PozC (YLD 2 WT 12.5, 11 gal/sk) tail w/205sx Class C (YLD 1.34 WT 14.8, 6.2 gal/sk) 7100'-4100' 35% Excess, TOC=4100'

Well Name: Haracz AMO Federal #10H		Tgt N/S: -4749.82	EOC TVD/MD: 10630.56 / 10906.52
Surface Location: Section 24 Township 24S Range 31E		Tgt E/W: 28.70	
Bottom Hole Location: Section 24 Township 24S Range 31E		VS: 4749.91	EOL TVD/MD: 10600.00 / 15175.55
		VS Az: 179.65	

MD	Inc.	Azi.	TVD	N/S	E/W	VS	DLS	Comments
722.00	0.00	0.00	722.00	0.00	0.00	0.00	0.00	RUSTLER
1050.00	0.00	0.00	1050.00	0.00	0.00	0.00	0.00	TOS
4367.00	0.00	0.00	4367.00	0.00	0.00	0.00	0.00	BOS
4592.00	0.00	0.00	4592.00	0.00	0.00	0.00	0.00	LAMAR
4637.00	0.00	0.00	4637.00	0.00	0.00	0.00	0.00	BELL CANYON (TOP DELAWARE)
5485.00	0.00	0.00	5485.00	0.00	0.00	0.00	0.00	CHERRY CANYON
6755.00	0.00	0.00	6755.00	0.00	0.00	0.00	0.00	BRUSHY CANYON
8451.00	0.00	0.00	8451.00	0.00	0.00	0.00	0.00	BONE SPRING
9557.00	0.00	0.00	9557.00	0.00	0.00	0.00	0.00	1ST BONE SPRING SAND
10153.11	0.00	0.00	10153.11	0.00	0.00	0.00	0.00	KOP
10175.00	2.63	179.65	10174.99	-0.50	0.00	0.50	12.00	
10200.00	5.63	179.65	10199.92	-2.30	0.01	2.30	12.00	
10225.00	8.63	179.65	10224.73	-5.40	0.03	5.40	12.00	
10250.00	11.63	179.65	10249.34	-9.80	0.06	9.80	12.00	
10275.00	14.63	179.65	10273.68	-15.47	0.09	15.48	12.00	
10279.47	15.16	179.65	10278.00	-16.62	0.10	16.62	12.00	2ND BONE SPRING SAND
10300.00	17.63	179.65	10297.69	-22.42	0.14	22.42	12.00	
10325.00	20.63	179.65	10321.31	-30.61	0.18	30.61	12.00	
10350.00	23.63	179.65	10344.47	-40.02	0.24	40.03	12.00	
10375.00	26.63	179.65	10367.10	-50.64	0.31	50.64	12.00	
10400.00	29.63	179.65	10389.14	-62.42	0.38	62.42	12.00	
10425.00	32.63	179.65	10410.54	-75.34	0.46	75.35	12.00	
10450.00	35.63	179.65	10431.23	-89.37	0.54	89.37	12.00	
10475.00	38.63	179.65	10451.16	-104.46	0.63	104.46	12.00	
10500.00	41.63	179.65	10470.28	-120.57	0.73	120.57	12.00	
10525.00	44.63	179.65	10488.52	-137.66	0.83	137.66	12.00	
10550.00	47.63	179.65	10505.85	-155.67	0.94	155.68	12.00	
10575.00	50.63	179.65	10522.20	-174.58	1.05	174.58	12.00	
10600.00	53.63	179.65	10537.55	-194.31	1.17	194.31	12.00	
10625.00	56.63	179.65	10551.84	-214.82	1.30	214.82	12.00	
10650.00	59.63	179.65	10565.04	-236.04	1.43	236.05	12.00	
10675.00	62.63	179.65	10577.11	-257.93	1.56	257.94	12.00	
10700.00	65.63	179.65	10588.02	-280.42	1.69	280.43	12.00	
10725.00	68.63	179.65	10597.73	-303.46	1.83	303.46	12.00	
10750.00	71.63	179.65	10606.23	-326.96	1.98	326.97	12.00	
10775.00	74.63	179.65	10613.49	-350.88	2.12	350.89	12.00	
10800.00	77.63	179.65	10619.48	-375.15	2.27	375.16	12.00	
10825.00	80.63	179.65	10624.20	-399.70	2.42	399.71	12.00	
10850.00	83.63	179.65	10627.62	-424.46	2.56	424.47	12.00	
10875.00	86.63	179.65	10629.74	-449.37	2.72	449.38	12.00	
10900.00	89.63	179.65	10630.56	-474.35	2.87	474.36	12.00	
10906.52	90.41	179.65	10630.56	-480.87	2.91	480.88	12.00	TARGET ZONE SBSSG
15175.55	90.41	179.65	10600.00	-4749.82	28.70	4749.91	0.00	EOL

Haracz AMO Federal #10H



CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corp
LEASE NO.:	NM57274
WELL NAME & NO.:	10H Haracz AMO Federal
SURFACE HOLE FOOTAGE:	200' FNL & 660' FEL
BOTTOM HOLE FOOTAGE:	330' FSL & 660' FEL
LOCATION:	Section 24, T.24 S., R.31 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 DV tool set from 7000-7500'. Operator is to submit sundry if DV tool cannot be set in that range.

- 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 circulation on the next stage.

- b. Second stage above DV tool:

☒ Cement should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification.

Contingency 3 stage cement program.

Operator has proposed 2 DV tools set from 7000-7500' and 9500-10000'. Operator is to submit sundry if DV tools cannot be set in that range.

- 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 circulation on the next stage.

- 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 at least **500** feet into previous casing string. Operator shall provide method of verification.

CRW 032814