

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NM OIL CONSERVATION

ARTESIA DISTRICT

OCD 4-8-2014  
SEP 10 2014FORM 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.*

RECEIVED

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM78214
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA E-Mail: tinah@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: 575-748-4168 Fx: 575-748-4585	8. Well Name and No. ANEMONE ANE FEDERAL 7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T22S R24E SWSW 1310FSL 1003FWL		9. API Well No. 30-015-33044-00-S1
		10. Field and Pool, or Exploratory INDIAN BASIN-UPPER PENN ASSOC
		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. NU BOP and any safety equipment as needed.
2. POOH with production equipment, loading hole as necessary to keep well under control.
3. Set a composite cement retainer at 7900 ft. Sting into retainer and establish injection rate.
4. Squeeze Canyon perforations in 250 sx stages until a positive squeeze pressure can be established. WOC 24 hrs.
5. Drill out retainer and cement. Pressure test squeeze to 500 psi; if necessary re-squeeze.
6. Perforate Atoka 9038 ft to 9046 ft (49).
7. Set packer at 8788 ft. Acidize with 2500g 7-1/2 percent MSA acid. Flush to bottom perf with treated water. Swab well, flow test and evaluate.
8. If decision is made to frac, set blanking plug in the O/O tool. TIH with frac string and jay

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL  
Accepted for record

NMOC

APPROVED

SEP 4 2014

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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

Electronic Submission #258322 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by DUNCAN WHITLOCK on 09/02/2014 (14DW02389)

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature

(Electronic Submission)

Date 08/26/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 09/04/2014

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 Carlsbad

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 \*\*

SEE ATTACHED FOR  
CONDITIONS OF APPROVALSUBJECT TO LIKE  
APPROVAL BY STATE

**Additional data for EC transaction #258322 that would not fit on the form**

**32. Additional remarks, continued**

back onto packer. Swab and pull blanking plug.

9. Pump fracturing treatment at 30 BPM down tubing. Hold 500 psi on the 3-1/2 x 7 inch annulus during the treatment. Set a pop off valve on annulus, preset to open at 1000 psi to protect the 7 inch casing in the event of a tubing or packer failure. Shut well in for 4 hrs to allow gel to break and pressure to equalize. A flow back manifold will be required to flow back the fracturing fluid after the treatment is concluded (detailed frac treatment attached).

10. Shut well in for 4 hrs to allow gel to break and pressure to equalize. Flow well until it cleans up. Set a blanking plug and swap the tubing back to the 2-7/8 inch production string. Swab tubing down and pull blanking plug.

11. Turn well over to production department.

Wellbore schematics attached

# Atoka Sand Treating Schedule

Stage Number	gal Foam	IPF at 142°F	Prop Conc		lb Proppant		Proppant Type
			lb/gal	Foam	Stage	Cumulative	
1	20000.	.40	0.00		0.	0.	-----
2	2000.	.40	.50		1000.	1000.	20/40 Acfrac Black
3	49000.	.40	1.00		49000.	50000.	20/40 Acfrac Black
4	3544.	.40	0.00		0.	0.	-----

Estimated Surface Treating Pressure = 7,944 psig.

Maximum Surface Treating Pressure = 10,000 psig while holding 500 psi on the annulus.

Fluid Specifications: A 40# CMHPG gel, Zirconium x-Linker, foamer, fluorsurfactant, migrating clay control additive and 7% KCl. Buffer the fluid to a pH of 4.5. Design breakers for 60% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated breaker and liquid breaker to achieve a 4-hour break. Under flush the well 1-2 bbl short of the top perf.

## YPC will provide:

Three clean frac tank with 390 bbls of 7% KCL for the treatment and flush.

137 tons of CO2, CO2 Booster and portables. 137 tons includes 20 tons cool down and excess.

WELL NAME: Anemone ANE Federal No. 7 FIELD: Indian Basin

LOCATION: BHL=1980' FSL & 660' FWL Sec 9-22S-24E SL=1,310' FSL & 1,003' FWL Eddy Co. NM

GL: 4,010' ZERO: KB: 4,027'

SPUD DATE: 11-15-03 COMPLETION DATE: 12-21-03

COMMENTS: API No. 30-015-33044

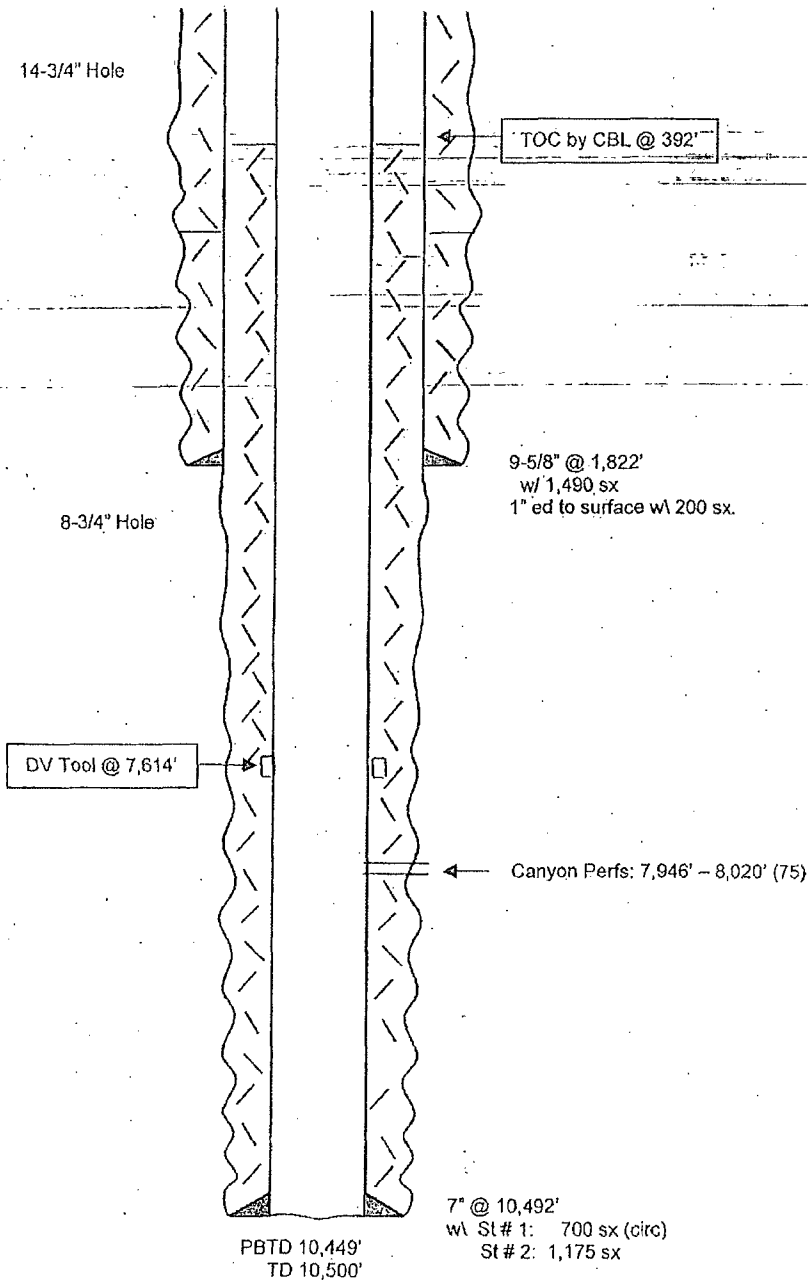
#### CASING PROGRAM

9-5/8" 32# J55	1,822'
Top	
7" 26# N80 LT&C 9,219'	
7" 26# P110 LT&C 1,274'	10,492'
Bottom	

Before

#### Tops:

Bone Spring	1,251'
Wolfcamp	7,303'
Upper Penn	7,925'
Strawn	8,933'
Atoka	9,384'
Morrow	9,898'
Barnett shale	10,330'



Not to Scale

6-4-14  
JMH

WELL NAME: Anemone ANE Federal No. 7

FIELD: Indian Basin

LOCATION: BHL=1980' FSL & 660' FWL Sec 9-22S-24E SL=1,310' FSL & 1,003' FWL Eddy Co. NM

GL: 4,010' ZERO: KB: 4,027'

SPUD DATE: 11-15-03 COMPLETION DATE: 12-21-03

COMMENTS: API No. 30-015-33044

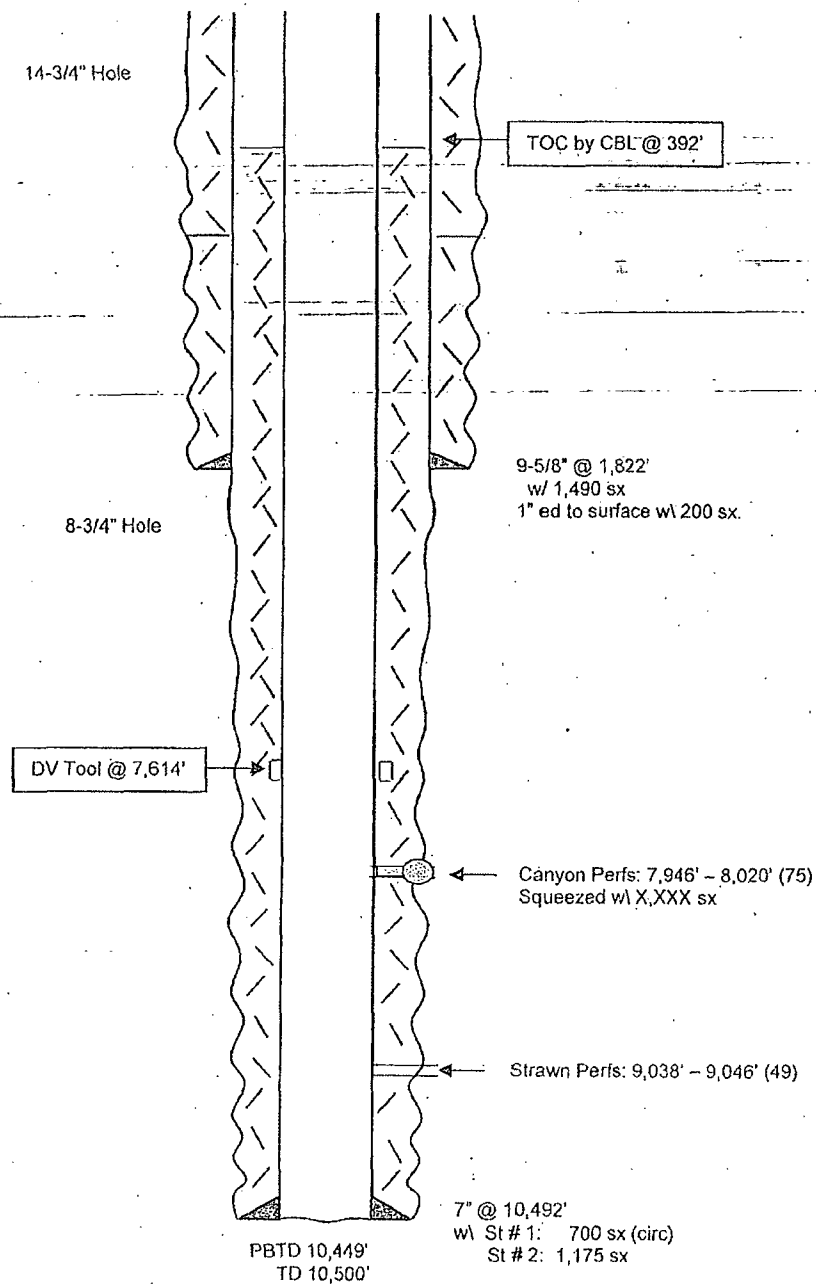
### CASING PROGRAM

9-5/8" 32# J55	1,822'
Top	
7" 26# N80 LT&C 9,219'	
7" 26# P110 LT&C 1,274'	10,492'
Bottom	

After

### Tops:

Bone Spring	1,251'
Wolfcamp	7,303'
Upper Penn	7,925'
Strawn	8,933'
Atoka	9,384'
Morrow	9,898'
Barnett shale	10,330'



Not to Scale

6-4-14  
JMH

## Conditions of Approval

Yates Petroleum Corporation  
Anemone ANE – Federal #7  
API 3001533044, T22S-R24E, Sec 09  
September 03, 2014

1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Surface disturbance beyond the existing pad must 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 H<sub>2</sub>S monitoring equipment shall be on location.
6. A minimum of 3000 (3M) BOPE shall 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. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
9. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
10. 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.

EGF 090314