

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 28 2009

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0135
Expires November 30, 2000

PM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter 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 NM-57274
2 Name of Operator Yates Petroleum Corporation		6 If Indian, Allottee or Tribe Name
3a Address 105 South Fourth Street, Artesia, NM 88210	3b Phone No (include area code) (575) 748-1471	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 330' FSL & 660' FEL, BHL: 330' FNL & 660' FEL, Section 23, T24S-R31E, Unit Letter (Surface P) (BHL A)		8 Well Name and No Haracz AMO Federal #9H
		9 API Well No 30-015-37153
		10 Field and Pool, or Exploratory Area Undesignated Delaware
		11 County or Parish, State Eddy County

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 checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

- 13 Describe Proposed or Completed Operations (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 change the hole and casing sizes on this well to the following:

Hole Size	Casing Size	Setting Depth	Estimated TOC
17 1/2"	13 3/8"	900'	Circulated
12 1/4"	9 5/8"	4,400'	Circulated
8 3/4" & 7 7/8"	5 1/2"	12,735' MD	3900'

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Revised casing design and cement program are attached Directional plan to remain as permitted

It is also requested that the pool name be changed to Undesignated Delaware and that Onshore Order 2 III.B 1 not be applied to this well
With producing wells within a 1 mile radius, this is not an exploratory well
Thank-You

14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Jeremiah Mullen	Title Well Planning Technician
Signature <i>Jeremiah Mullen</i>	Date July 16, 2009
THIS SPACE FOR FEDERAL OR STATE USE	
Approved by	Title
Date	
Office	
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	

APPROVED**JUL 23 2009****WESLEY W. INGRAM
PETROLEUM ENGINEER**

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

7/16

Surface Casing

Designed using 8 6-9 2ppg MW

0 ft to 900 ft		Make up Torque ft-lbs		Total ft =	900
O.D.	Weight	Grade	Threads	opt.	min. mx.
13.375 inches	48 #/ft	H-40	ST&C	3,220	2,420 4,030
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
740	1,730 psi	322,000 #	541,000 #	12,559	

Cemented w/500sx C-Lite (YLD 1.96 Wt 12.5), tail w/200sx Class C (YLD 1.34 Wt 14.8) TOC= Surface

Intermediate Casing

Designed using 10-10 2ppg MW

0 ft to 100 ft		Make up Torque ft-lbs		Total ft =	100
O.D.	Weight	Grade	Threads	opt.	min. mx.
9.625 inches	40 #/ft	J-55	ST&C	5,200	3,900 6,500
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
2,570 psi	3,950 psi	452,000 #	630,000 #	8.75-SD	

100 ft to 3,300 ft		Make up Torque ft-lbs		Total ft =	3,200
O.D.	Weight	Grade	Threads	opt.	min. mx.
9.625 inches	36 #/ft	J-55	ST&C	4,530	3,400 5,660
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
2,020 psi	3,520 psi	394,000 #	564,000 #	8.765	

3,300 ft to 4,300 ft		Make up Torque ft-lbs		Total ft =	1,000
O.D.	Weight	Grade	Threads	opt.	min. mx.
9.625 inches	40 #/ft	J-55	ST&C	5,200	3,900 6,500
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
2,570 psi	3,950 psi	452,000 #	630,000 #	8.75-SD	

4,300 ft to 4,400 ft		Make up Torque ft-lbs		Total ft =	100
O.D.	Weight	Grade	Threads	opt.	min. mx.
9.625 inches	40 #/ft	HCK-55	ST&C	6,940	5,210 8,680
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
4,230 psi	3,950 psi	604,000 #	630,000 #	8.75-SD	

Cemented w/1250sx C-Lite (YLD 2.0 Wt 12.6), tail w/200sx Class C (YLD 1.34 Wt 14.8) TOC= Surface

Production Casing

Designed using 8 8-9ppg MW

0 ft to 12,735 ft		Make up Torque ft-lbs		Total ft =	12,735
O.D.	Weight	Grade	Threads	opt.	min. mx.
5.5 inches	17 #/ft	HCP-110	LT&C	4620	3470 5780
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift	
8,580 psi	10,640 psi	445,000 #	546,000 #	4.767	

DV tool placed at 6100'

Stage I: Cemented w/1925sx PVL (YLD 1.41 Wt 13) TOC= 6100'

Stage II: Cemented w/350sx Lite Crete (YLD 2.78 Wt 9.9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 3900'

An 8 3/4" hole will be drilled to 8,600' MD (8,320' TVD) Decision will then be made whether to set 7" or not

If 7" casing is not set, then hole size will be reduced to 7 7/8" and drilled to 12,735' MD (8,320' TVD) where 5 1/2" casing will be set and cemented as per the above production casing design.

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 8,600' MD (8,320' TVD). A 6 1/8" hole will then be drilled to 12,735' MD (8,320' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7350'

2nd Intermediate

Designed using 8 8-9ppg MW

0 ft to 300 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151	

300 ft to 5,800 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
3,270	4,360 psi	313,000 #		366,000 #		6.25	

5,800 ft to 8,100 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151	

8,100 ft to 8,600 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
5,410 psi	7,240 psi	511,000 #		604,000 #		6.151	

DV tool placed at 6100'.

Stage I: Cemented w/535sx PVL (YLD 1.41 Wt 13) TOC= 6100'

Stage II: Cemented w/185sx Lite Crete (YLD 2.78 Wt 9.9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 3900'

Production

Designed using 8 8-9ppg MW

0 ft to 12,735 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875	

DV tool placed at approx. 7350' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7350'.

Cemented w/725sx PVL (YLD 1.41 Wt 13) TOC= 7350'

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Delaware and Bone Spring formations.

Possible water flows in the Castile, Salado, Delaware and Bone Spring formations.

1. The **13-3/8** inch surface casing shall be set **at approximately 900 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - a. First stage to DV tool, cement shall:
☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.
 - b. Second stage above DV tool, cement shall:
☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

Contingency casing program:

4. The minimum required fill of cement behind the 7 inch intermediate casing is:

- ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

5. The minimum required fill of cement behind the 4-1/2 inch production casing is:

- ☒ Cement to come to DV tool depth. Operator shall provide method of verification.

6. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17. **Piping from choke manifold and to flare to be as straight as possible.**
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **13-3/8"** surface casing shoe shall be **3000 (3M) psi.**
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company. **Operator to submit copies of test done for each casing string with the subsequent sundry detailing the casing/cementing details.**
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

- d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
- e. **Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

WWI 072309