

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0157
Expires July 31, 2010

RECEIVED

MAR 17 2010

NMOCD ARTESIA

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.

5 Lease Serial No
NM-693236 If Indian, Allottee or Tribe Name
NA

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

NA

8 Well Name and No

Sedge BPL Federal Com #1

9 API Well No

30-015-27145

10 Field and Pool or Exploratory Area

Wildcat: Wolfcamp

11 County or Parish, State

Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

2 Name of Operator

Yates Petroleum Corporation

3a Address

105 S. 4th Str., Artesia, NM 88210

3b Phone No (include area code)

575-748-1471

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

1980'FNL & 560'FEL of Section 18-T22S-R23E (Unit H, SENE)

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 checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 recomplete this well as follows: MIRU all safety equipment as needed. NU BOP POOH with packer at 9508'. Load hole with treated water as necessary. Set a CIBP at 9504' with 35' cement on top. Prep to under balance TCP the following Wolfcamp perforations 6960'-6984' (25). Set packer at +/-6727'. Fill tubing with the amount of treated water specified by perforators. Open the well up a 1/4" choke and drop the detonator bar. Adjust the choke as necessary to control the well. Flow test and evaluate. Stimulate as needed. Consider turning well to production. At some point in the future, POOH with tubing, packer and guns. Perforate additional Wolfcamp 6790'-6800' (11). Stimulate as needed. Consider POOH with all tools and putting well back on production with all of the Wolfcamp perforations combined together.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date

February 26, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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.

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 provide false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED

MAR 15 2010

/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

D. J. 3-18-10

Yates Petroleum Corporation
NM-69323 – Sedge Unit #1
API: 30-015-27145
Eddy County, New Mexico

RE: Plug back/Recompletion – Conditions of Approval

There is to be no surface disturbance beyond the existing pad without prior approval. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

Contact the appropriate BLM office at least 24 hours prior to starting work. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3M BOP to be used. 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.

Submit subsequent report and new completion report once work is completed.

DHW 031210