

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

CISF

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation ✓

3a. Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)
(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL and 1980' FWL
Section 26, T20S-R24E

5. Lease Serial No.
NM-043625

6. Well Name and No.

Saguaro AGS Federal Com. #10

7. API Well No.

30-015-26852

8. Field and Pool, or Exploratory Area

Wildcat Morrow

9. County or Parish, State

Eddy County, New Mexico

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 Deepen |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Producing Well |
| | <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.)

Please see attached Drilling Prognosis.

Well Completion Or Recompletion Report
And Log (Form 3160-4) Required After All
Recompletion Work Has Been Completed.

Thank you.



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

Name (Printed/Typed) Cy Cowan

Title

Regulatory Agent

Signature

Date

October 9, 2000

THIS SPACE FOR FEDERAL OR STATE USE

Approved by (ORIG. SGD) DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

OCT 12 2000

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, 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)

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------------|---|------------------------|--|
| ¹ API Number | | ² Pool Code | ³ Pool Name Wildcat Morrow |
| ⁴ Property Code | ⁵ Property Name Saguaro AGS Federal Com. | | ⁶ Well Number 10 |
| ⁷ OGRID No. 025575 | ⁸ Operator Name YATES PETROLEUM CORPORATION | | ⁹ Elevation 3662' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 26 | 20S | 24E | | 660' | North | 1980' | West | Eddy |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|------------|---|--|
| | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____ Cy Cowan</p> <p>Printed Name _____ Regulatory Agent</p> <p>Title _____ October 3, 2000</p> <p>Date _____</p> | |
| | | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number _____</p> |
| | | <p>NM-045275</p> |
| <p>FEE</p> | | |

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|---|----------------------|--|---|--|--|
| Operator YATES PETROLEUM CORPORATION | | | Lease SAGUARO AGS FEDERAL COM | | Well No. 10 |
| Unit Letter C | Section 26 | Township 20 SOUTH | Range 24 EAST | County NMPM EDDY COUNTY, N.M. | |
| Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line | | | | | |
| Ground level Elev. 3662. | | Producing Formation Cisco - Canyon | | Pool S. Dagger Draw Upper Penn | Dedicated Acreage: 320 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

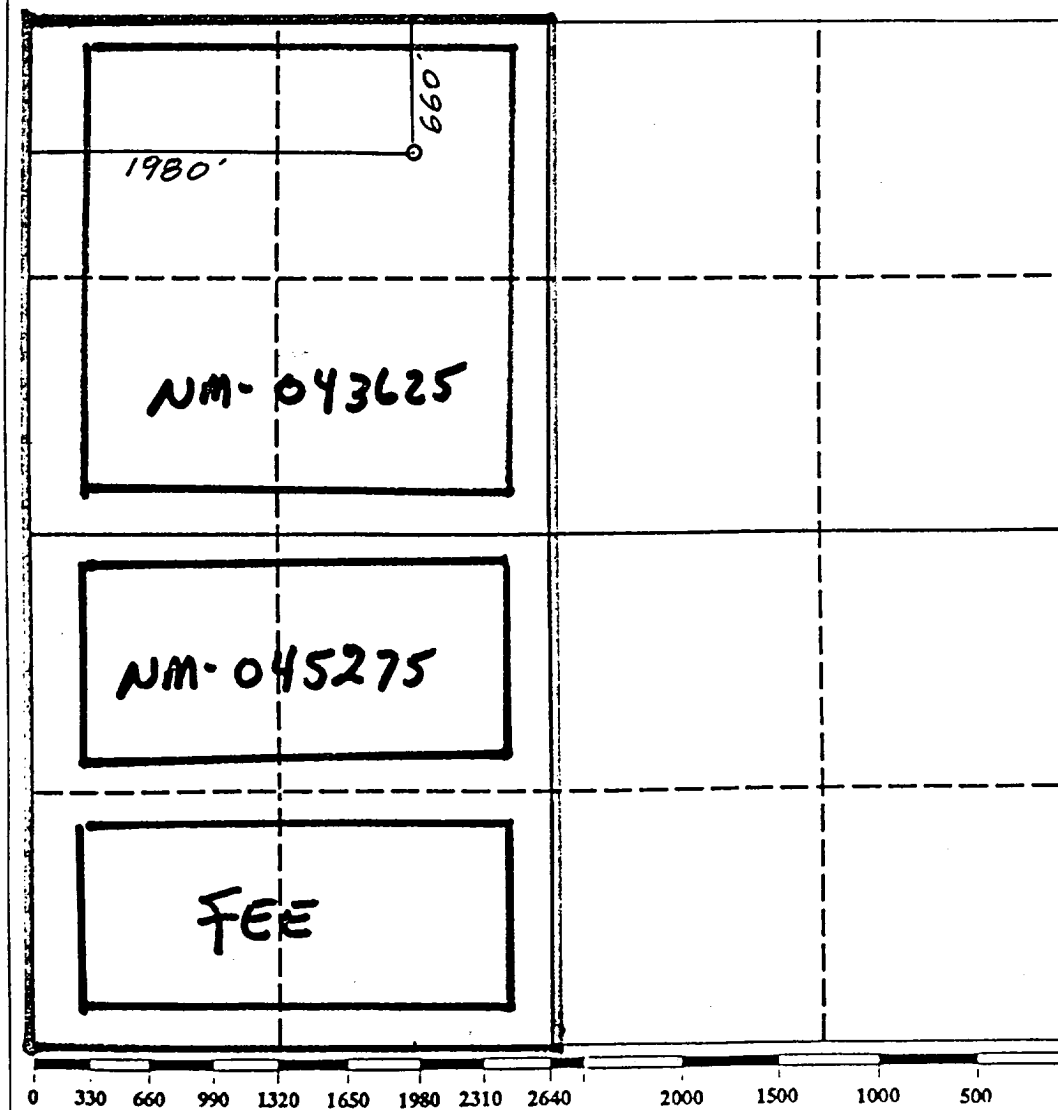
☒ Yes

☐ No

If answer is "yes" type of consolidation **Communitization SW-791**

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Ken Beardemphl

Printed Name

KEN BEARDEMPHL

Position

LANDMAN

Company

YATES PET. CORP.

Date

8-28-91

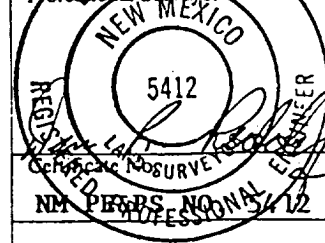
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

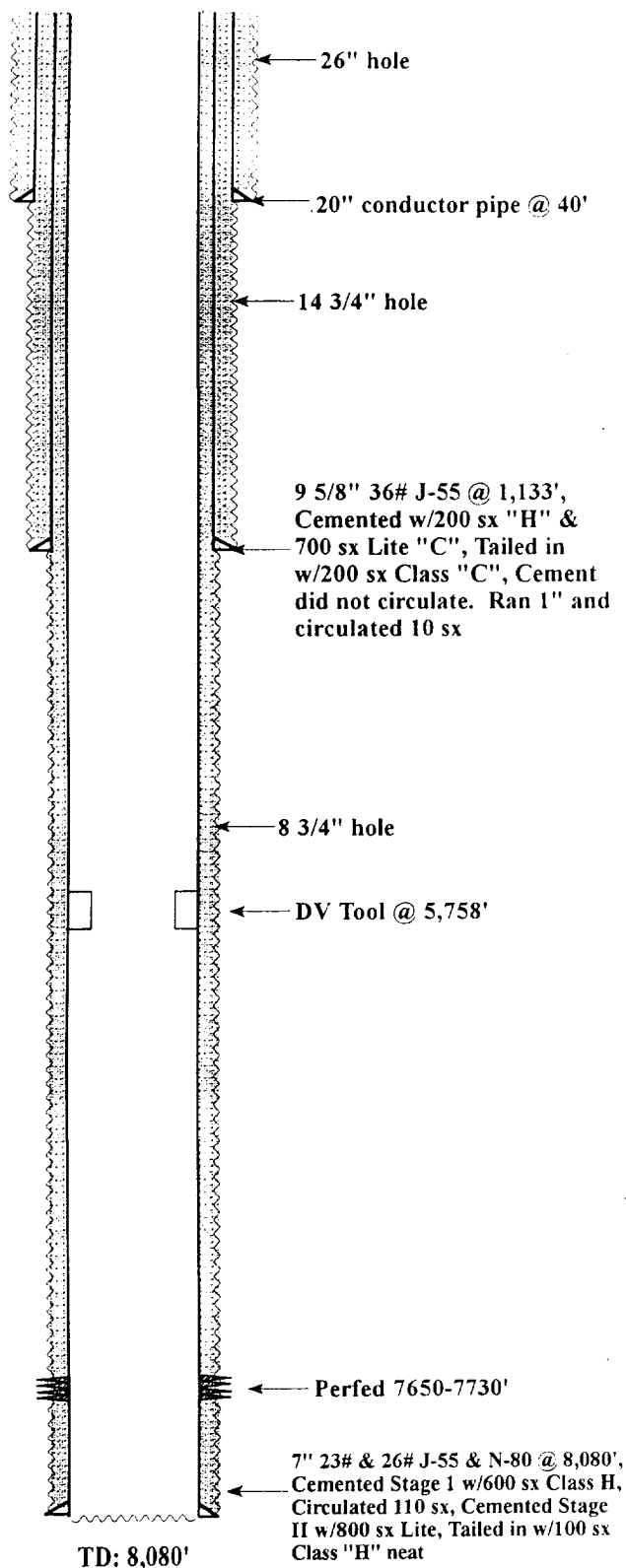
Date Surveyed

AUGUST 18, 1991

Signature & Seal of
Professional Surveyor



YATES PETROLEUM CORPORATION
Saguaro AGS Federal Com #10
Section 26 T20S-R24E, 660' N & 1,980' W



Comments

1-92

TIH w-bit, stabilizer, drill collars and 2" 5" tubing to DV tool @ 5754'.
 Rig up power swivel and drill DV tool. Test casing to 1500 psi for 10 min.
 TOH w 2 1/8" tubing, drill collars, stabilizer and bit. TIH w bit, scraper
 and 2 7/8" tubing to 8024'. TOH w 2 7/8" tubing, scraper and bit. Rig up
 wireline. TIH w logging tool. Circulate casing to 1500 psi and run in.
 CCL/GR log from 8000-5000'. TOH w logging tool. Rig up wireline. TIH
 w 1/4" casing guns. Perfed 7650-7730' (2 SPF - 50 holes). TOH w casing
 guns and rig down wireline. TIH w 1-11-16" logging tool. Correlate pack-
 er into place @ 7700'. TOH w logging tool and rig down wireline. Set RBP
 @ 7796' and test to 1500 psi for 5 min. Acidize perfs 7708-7730' w/600 gals
 20% HCL NEFE and scale inhibitor and 13 balls. Move packer to 7566'.
 Acidize perfs 7650-7730' w/20000 gals 20% HCL NEFE and scale inhibitor
 + 700# block + 34 balls. Rig up saws. Swab all night. Rig up wire-
 line. TIH w static BHP. Rig down wireline. Unset packer and TIH. Latch
 on to RBP. TOH w RBP packer and 2 7/8" tubing. Turn over to production
 to run sub pump.

CASING

| | |
|-------------|----------|
| 7" 26# N-80 | 9526.41' |
| 7" 26# J-55 | 2667.17' |
| 7" 23# J-55 | 3612.39' |
| 7" 26# J-55 | 1290.21' |

YATES PETROLEUM CORPORATION
Saguaro AGS Federal Com.#10 (Re-entry)
Deepen Producing Well
660' FNL & 1980' FWL
Section 26-T20S-R24E
Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

| | |
|--------------------|-------|
| Strawn | 8433' |
| Atoka | 8783' |
| Morrow Clastics | 9098 |
| Mississippian Lime | 9433' |
| TD | 9550' |

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

| | |
|-------------|-------------|
| Water: | 275' |
| Oil or Gas: | 9098'-9550' |

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 3000# BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment, and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Wt./Ft</u> | <u>Grade</u> | <u>Thread</u> | <u>Interval</u> | <u>Length</u> |
|------------------|--------------------|---------------|--------------|---------------|-----------------|-----------------|
| 14 3/4" | 9 5/8" | 36# | J55 | ST&C | 0-1133' | 1133' In Place. |
| 8 3/4" | 7" | 23+26# | J55+N80 | ST&C | 0-8080' | 8080' In Place. |
| 6 1/8" | 4 1/2" Liner | 11.6# | N80 | ST&C | 7600'-9550' | 1950' |

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

- B. CEMENTING PROGRAM:
 Surface casing: 1100 sx (in place).
 Intermediate Casing: 1510 sx (in place).
 Production Liner: 200 sx.

Saguaro AGS Federal Com. #10
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5. Mud Program and Auxiliary Equipment:

| <u>Interval</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> | <u>Fluid Loss</u> |
|-----------------|----------------------------|---------------|------------------|-------------------|
| 0 -8080' | Cut Brine | 9.0-9.2 | 30-34 | N/A |
| 8080'-9550' | SaltGel/Starch/ Drispac | 9.2-9.8 | 30-38 | <10-15 |

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from surface casing to TD.
Logging: CNL/LDT TD to casing w/GR-CNL to surface; DLL TD to CSG. W/min RXV.
Coring: None.
DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

| | | | |
|-------------|-----------|-----------------------|----------|
| From: 0 | To: 8080' | Anticipated Max. BHP: | 500 PSI |
| From: 8080' | To: 9550' | Anticipated Max. BHP: | 2400 PSI |

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 178 F

8. ANTICIPATED STARTING DATE:

Plans are to re-enter this well as soon as possible after receiving approval. It should take approximately 10 days to re-enter this well with completion taking another 20 days.