

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210
APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

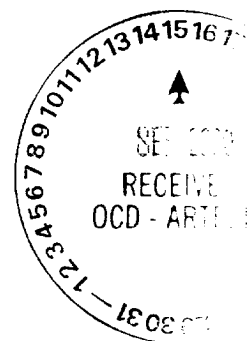
1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other	6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation	7. If Unit or CA/Agreement, Name and/o
3a. Address 105 South Fourth Street, Artesia, NM 88210	8. Well Name and No. Hoc Federal Com. #3
3b. Phone No. (include area code) (505) 748-1471	9. API Well No. 30-015-28396
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1850' FNL & 1850' FEL Surface Location 660' FNL & 660' FEL Bottom Hole Location Section 13, T22S-R23E	10. Field and Pool, or Exploratory Area Indian Basin Upper Penn
	11. 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
☒ Notice of Intent	☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other Directional
	☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon ☐ Drill Re-entry
	☐ Convert to Injection ☐ Plug Back ☐ 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.)

SEE ATTACHED PRELIMINARY DRILLING REPORTS
SEE ATTACHED PLATS (C-102'S)
SEE ATTACHED SURVEY CALCULATIONS



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cy Cowan	Title Regulatory Agent
Signature <i>Cy Cowan</i>	Date September 12, 2000

THIS SPACE FOR FEDERAL OR STATE USE

Approved (ORIG. SGD.) GARY GOURLEY	Title PETROLEUM ENGINEER	Date SEP 14 2000
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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, 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.

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 Indian Basin Upper Penn		
4 Property Code		5 Property Name Hoc Federal Com			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 4122'	

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
G	13	22S	23E		1850'	North	1850'	East	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
A	13	22S	23E		660'	Norht	660'	East	Eddy

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
640			

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

16			17 OPERATOR CERTIFICATION	
			I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
			Signature Cy Cowan Printed Name Regulatory Agent Title September 12, 2000 Date	
			18 SURVEYOR CERTIFICATION	
		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.		
		Date of Survey Signature and Seal of Professional Surveyer: REFER TO ORIGINAL PLAT Certificate Number		

16	NM- 059077	1850'	NM- 063073
		1850'	

17 OPERATOR CERTIFICATION

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

Signature: Ken Beardempfl

Printed Name: KEN BEARDEMPHL

Title: LANDMAN

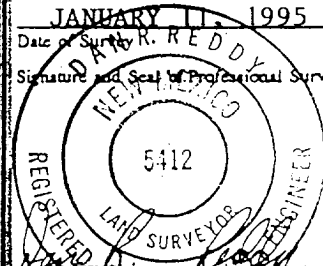
Date: 1/13/95

18 SURVEYOR CERTIFICATION

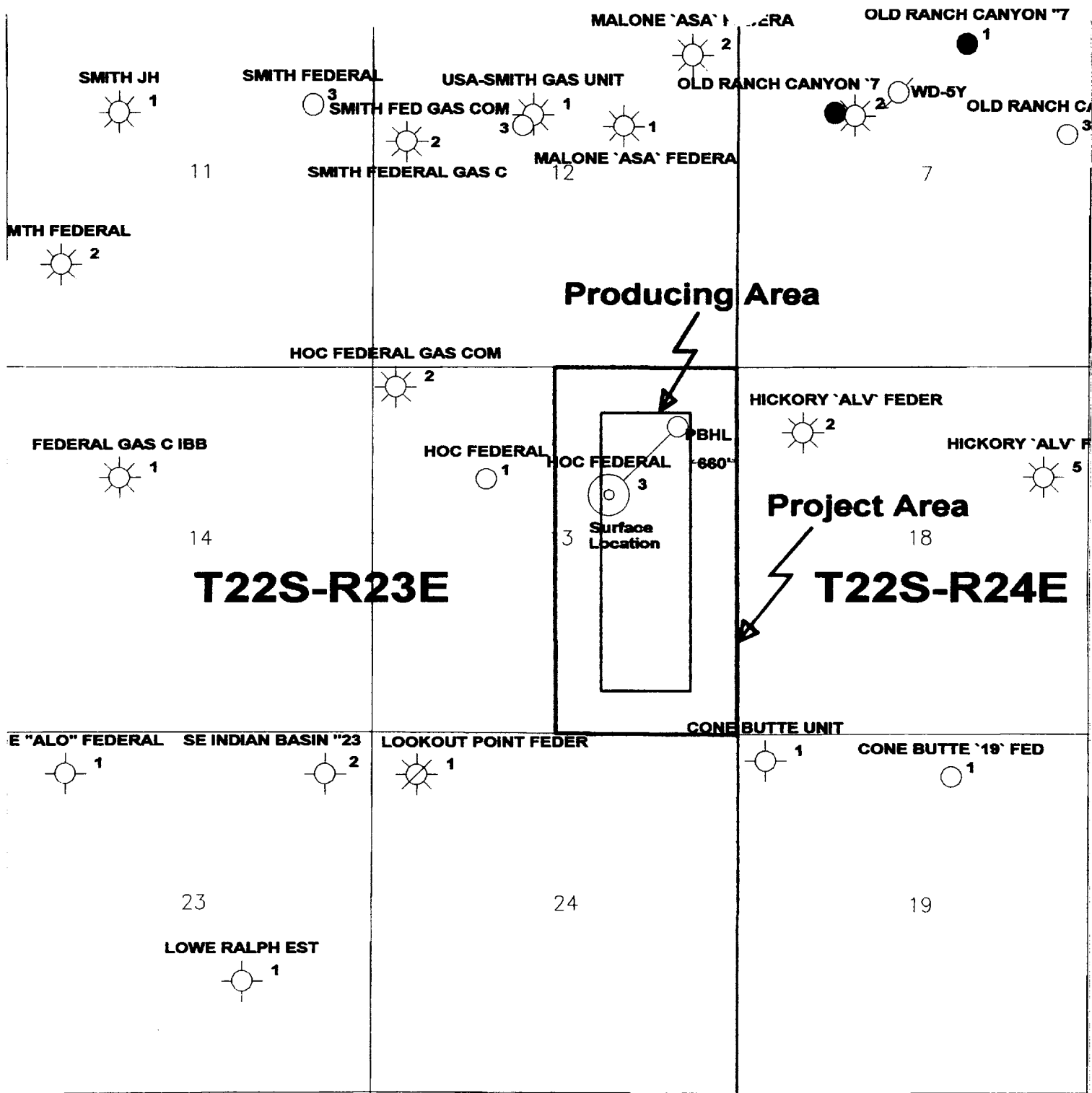
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: JANUARY 11, 1995

Signature and Seal of Professional Surveyor:



Certificate Registration No.: NM REGD'S NO. 5412



Proposed Surface Location: 1850 FNL & 1850 FEL Sec 13-T22S-R23E
Proposed Bottom Hole Location: 660 FNL & 660 FEL Sec 13-T22S-R23E

Yates Petroleum Corporation		
HOC Federal #3 Section 13 T22S-R23E		
John F. Humphrey		7/10/00
	Scale 1:24000.	

Drilling Prognosis Yates Petroleum

This information is only approximate. Final form may vary

HOC Federal #3-H

Surface Location: Sec. 13 T22S-R23E, 1,850' N & E

BH Location: Sec. 13 T22S-2R3E 660' N & E

Eddy County, NM, 8,300' (TVD), 9,245' (MD) Canyon

Procedure:

Well will be drilled vertically to a depth of 7,050'. At this point the well will be "kicked off" and a build rate of 5 degrees/100' will be utilized. A maximum angle of 30 degrees will be obtained and held, and the 8 3/4" pilot hole will then be drilled to 8,300' TVD, 8,430' MD. At this point 7" casing will then be set. A casing whipstock will then be set inside the 7" at 7,700' TVD and a window will be milled out of the 7". A 4 3/4" bit and 2 7/8" drillpipe will then be picked up and directional drilling will resume. A build rate of 60 degrees/100' will be utilized until a maximum angle of 104 degrees is reached at a depth of 7,044. The lateral will be returned to 90 degrees (horizontal) at a depth of 7,715'. The 90 degree angle will be held and the 4 3/4" hole will be horizontally drilled to a bottom hole location of 660' N & E. The lateral will be roughly 1,680' long.

Geological Program

Expected Tops (All depths are TVD):

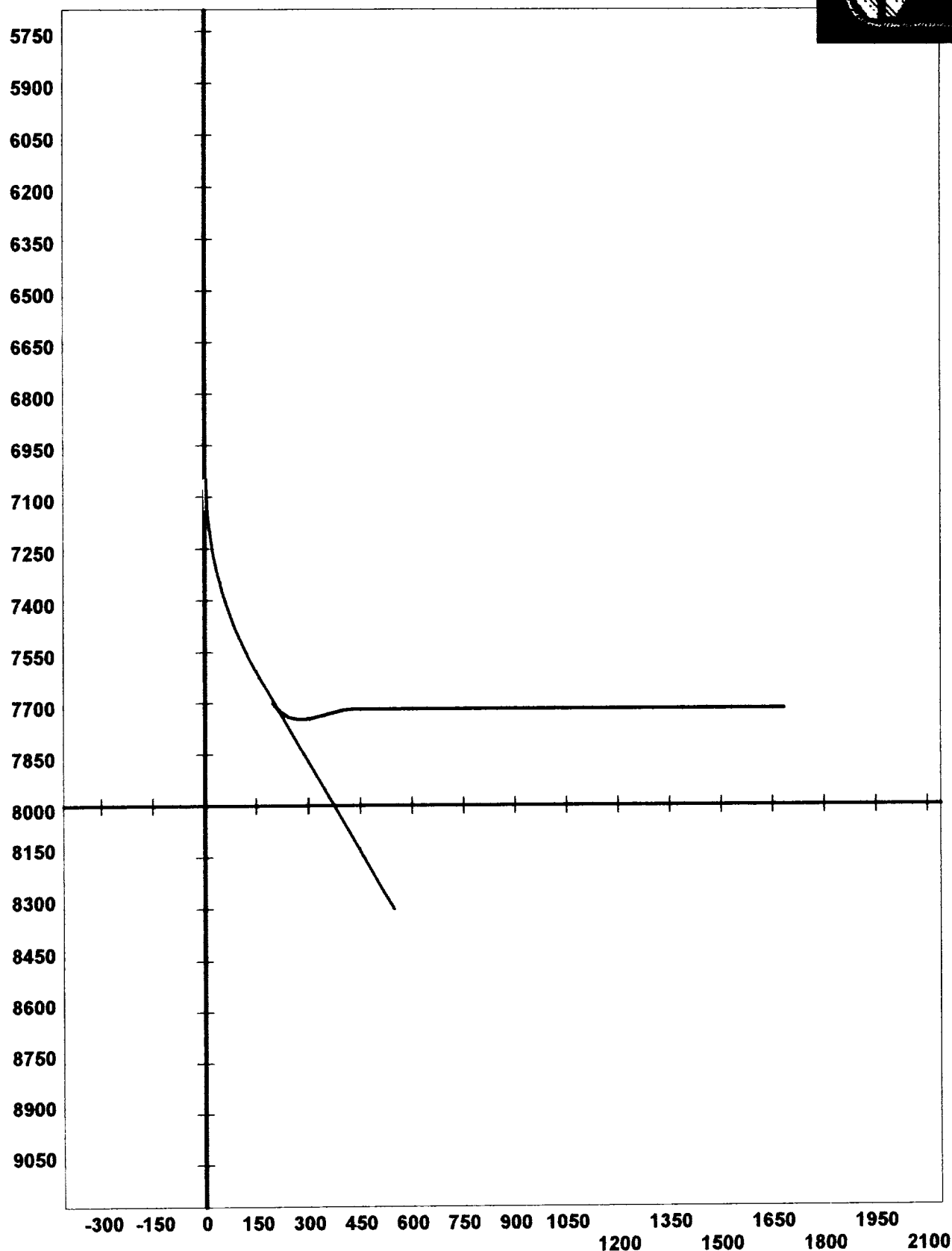
SAN ANDRES	Depth: 846
GLORIETA	Depth: 2247
BONE SPRING	Depth: 3037
WOLFCAMP	Depth: 7002
CANYON	Depth: 7700
TD (Pilot Hole)	Depth: 8,300' TVD, 8,430' MD
TD (Lateral)	Depth: 7,715' TVD, 9,245' MD

Mud Program

Depth		Type	Weight
From	To		
0	1600'	FW GEL/LCM Vis: 30 WL: N.C	8.3-8.6 Chl:
1600'	7700'	CUT BRINE Vis: 29 WL: N/C	9.0- 9.2 Chl: 60,000
7700'	TD	CUT BRINE/STARCH Vis: 30-34 WL: 10 OR LESS	9.0-9.2 Chl: 60,000

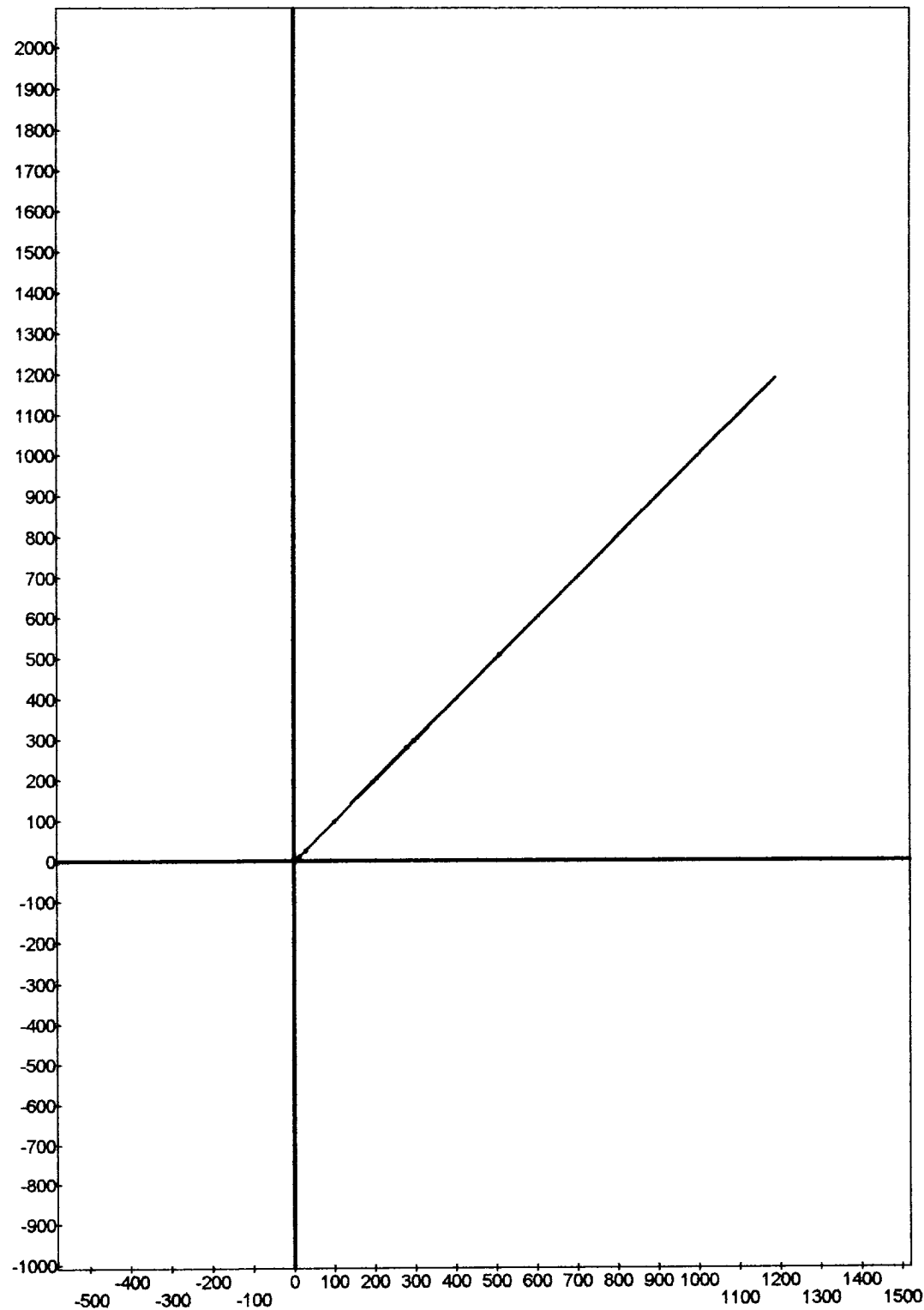
Fresh water will be used to drill the horizontal lateral.

Company: Yates Petroleum
Lease/Well: HOC Federal #3-H
Location: Section 13 T22S-R23E



○ -- -- ▽ -- Tie in from 1

Company: Yates Petroleum
Lease/Well: HOC Federal #3-H
Location: Section 13 T22S-R23E



-- Tie in from -4

Hoc

Job Number: 1

State/Country: Eddy NM/USA

Company: Yates Petroleum
Lease/Well: HOC Federal #3-H
Location: Section 13 T22S-R23E
Rig Name: N/A
RKB:
G.L. or M.S.L.:

Declination:
Grid:
File name: C:\WINSERVE\HOC3.SVY
Date/Time: 02-Aug-00 / 11:49
Curve Name: Horizontal Section

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 45.00
Vertical Section Referenced to offset from Wellhead: EW =.00 Ft, NS=.00 Ft
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Degleg Severity Deg/100
7739.11	30.00	45.00	7700.00	140.41	140.41	198.57	198.57	45.00	.00
7769.11	48.27	45.00	7723.17	153.74	153.74	217.42	217.42	45.00	60.90
7799.11	66.54	45.00	7739.26	171.54	171.54	242.59	242.59	45.00	60.90
7829.11	84.81	45.00	7746.66	192.01	192.01	271.54	271.54	45.00	60.90
7849.43	91.70	45.00	7747.00	200.00	200.00	282.84	282.84	45.00	60.90
7861.94	104.61	45.00	7743.95	215.03	215.03	304.10	304.10	45.00	60.00
7956.90	104.61	45.00	7720.00	280.00	280.00	395.98	395.98	45.00	.00
7981.25	90.00	45.00	7716.91	297.03	297.03	420.07	420.07	45.00	60.00
8081.25	90.00	45.00	7716.91	367.74	367.74	520.07	520.07	45.00	.00
8181.25	90.00	45.00	7716.91	438.46	438.46	620.07	620.07	45.00	.00
8281.25	90.00	45.00	7716.91	509.17	509.17	720.07	720.07	45.00	.00
8381.25	90.00	45.00	7716.91	579.88	579.88	820.07	820.07	45.00	.00
8481.25	90.00	45.00	7716.91	650.59	650.59	920.07	920.07	45.00	.00
8581.25	90.00	45.00	7716.91	721.30	721.30	1020.07	1020.07	45.00	.00
8681.25	90.00	45.00	7716.91	792.01	792.01	1120.07	1120.07	45.00	.00
8781.25	90.00	45.00	7716.91	862.72	862.72	1220.07	1220.07	45.00	.00
8881.25	90.00	45.00	7716.91	933.43	933.43	1320.07	1320.07	45.00	.00
8981.25	90.00	45.00	7716.91	1004.14	1004.14	1420.07	1420.07	45.00	.00
9081.25	90.00	45.00	7716.91	1074.85	1074.85	1520.07	1520.07	45.00	.00
9181.25	90.00	45.00	7716.91	1145.56	1145.56	1620.07	1620.07	45.00	.00
9245.00	90.00	45.00	7716.91	1190.64	1190.64	1683.82	1683.82	45.00	.00

Hocpil

Job Number: 1

State/Country: Eddy NM/USA

Company: Yates Petroleum
Lease/Well: HOC Federal #3-H
Location: Section 13 T22S-R23E
Rig Name: N/A
RKB:
G.L.L. or M.S.L.:

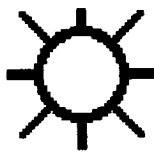
Declination:
Grid:
File name: C:\WINSERVE\HOC3.SVY
Date/Time: 02-Aug-00 / 10:54
Curve Name: Pilot Hole

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 45.00
Vertical Section Referenced to offset from Wellhead: EW =.00 Ft, NS=.00 Ft
Rectangular Coordinates Referenced to Wellhead

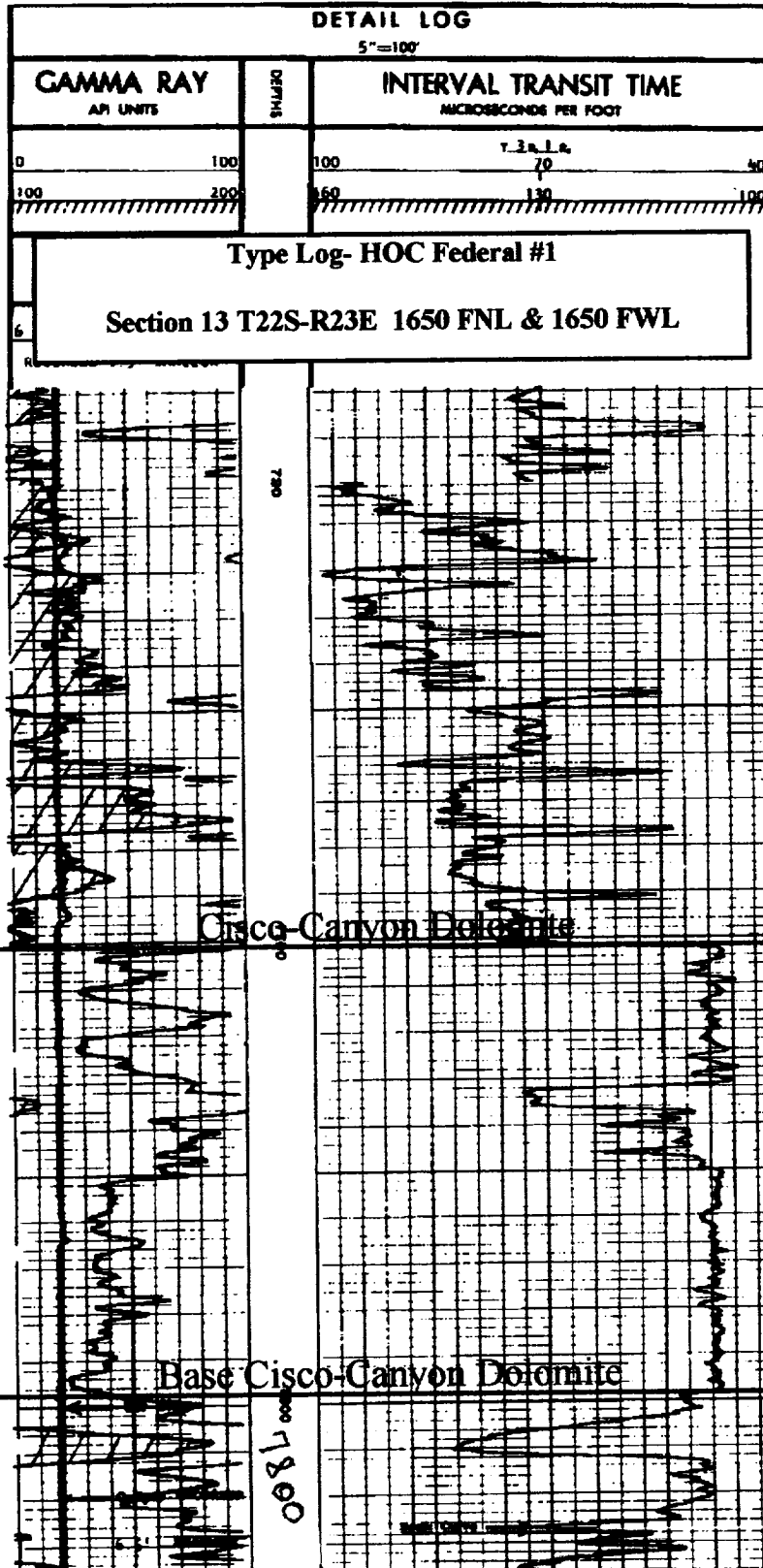
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
7049.01	.00	45.00	7049.01	.00	.00	.00	.00	.00	.00
7079.01	1.50	45.00	7079.01	.28	.28	.39	.39	45.00	5.00
7109.01	3.00	45.00	7108.99	1.11	1.11	1.57	1.57	45.00	5.00
7139.01	4.50	45.00	7138.92	2.50	2.50	3.53	3.53	45.00	5.00
7169.01	6.00	45.00	7168.79	4.44	4.44	6.28	6.28	45.00	5.00
7199.01	7.50	45.00	7198.59	6.93	6.93	9.80	9.80	45.00	5.00
7229.01	9.00	45.00	7228.27	9.98	9.98	14.11	14.11	45.00	5.00
7259.01	10.50	45.00	7257.84	13.57	13.57	19.19	19.19	45.00	5.00
7289.01	12.00	45.00	7287.26	17.71	17.71	25.04	25.04	45.00	5.00
7319.01	13.50	45.00	7316.52	22.39	22.39	31.66	31.66	45.00	5.00
7349.01	15.00	45.00	7345.60	27.61	27.61	39.05	39.05	45.00	5.00
7379.01	16.50	45.00	7374.47	33.37	33.37	47.19	47.19	45.00	5.00
7409.01	18.00	45.00	7403.12	39.66	39.66	56.09	56.09	45.00	5.00
7439.01	19.50	45.00	7431.53	46.48	46.48	65.73	65.73	45.00	5.00
7469.01	21.00	45.00	7459.67	53.82	53.82	76.11	76.11	45.00	5.00
7499.01	22.50	45.00	7487.54	61.68	61.68	87.23	87.23	45.00	5.00
7529.01	24.00	45.00	7515.10	70.05	70.05	99.07	99.07	45.00	5.00
7559.01	25.50	45.00	7542.34	78.93	78.93	111.63	111.63	45.00	5.00
7589.01	27.00	45.00	7569.25	88.32	88.32	124.90	124.90	45.00	5.00
7619.01	28.50	45.00	7595.80	98.19	98.19	138.87	138.87	45.00	5.00
7649.01	30.00	45.00	7621.97	108.56	108.56	153.52	153.52	45.00	5.00
7681.38	30.00	45.00	7650.00	120.00	120.00	169.71	169.71	45.00	.00
7781.38	30.00	45.00	7736.60	155.36	155.36	219.71	219.71	45.00	.00
7881.38	30.00	45.00	7823.21	190.71	190.71	269.71	269.71	45.00	.00
7981.38	30.00	45.00	7909.81	226.07	226.07	319.71	319.71	45.00	.00
8081.38	30.00	45.00	7996.41	261.42	261.42	369.71	369.71	45.00	.00

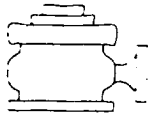
PAGE - 1

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Hccpil		Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Degleg Severity Deg/100
				N-S FT	E-W FT				
8181.38	30.00	45.00	8083.01	296.78	296.78	419.71	419.71	45.00	.00
8281.38	30.00	45.00	8169.62	332.13	332.13	469.71	469.71	45.00	.00
8381.38	30.00	45.00	8256.22	367.49	367.49	519.71	519.71	45.00	.00
8431.93	30.00	45.00	8300.00	385.36	385.36	544.98	544.98	45.00	.00



3001510721
PAN AMERICAN
HOC GAS UNIT 1
022.0S 023.0E 013
TD 7892.0 ft
G

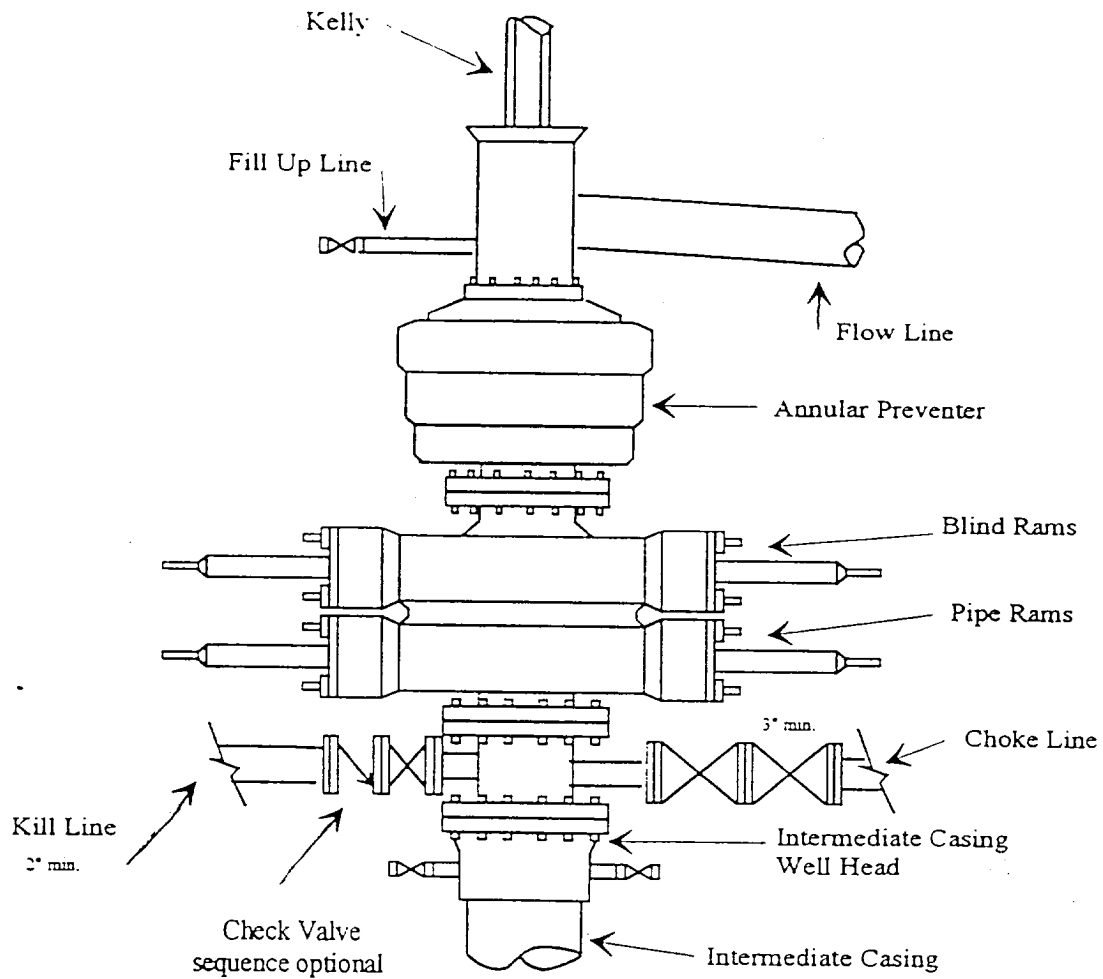




Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

