

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM 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.

HOBBS OCD

5. Lease Serial No.
NMNM108971VB0777

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
JEFE BSJ FEDERAL COM 1H

9. API Well No.
30-025-40722

10. Field and Pool, or Exploratory
WILDCAT; BONE SPRING, UP SH

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
YATES PETROLEUM CORPORATION

Contact: TINA HUERTA
Mail: tinah@yatespetroleum.com

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4168
Fx: 575-748-4585

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 32 T25S R32E SWSE 330FSL 1980FEL

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Workover Operations
	<input 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 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 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 plans to workover this well as follows:

As per discussion with Wesley Ingram at BLM office on December 6th, 2012.

1. MIRU CU, NU BOP Rig up all safety equipment as necessary. TIH with blanking plug and set in packer @ 10,070 ft. Release tubing and POOH.

2. Load casing and test that blanking plug is holding.

3. Pump a full volume of 9Lb brine down 9 5/8 inch casing to ensure we can get cement the 50' below casing shoe that is required.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #192032 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Hobbs

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 01/29/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

FEB 11 2013

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By

Title

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 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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

MAY 20 2013

Additional data for EC transaction #192032 that would not fit on the form

32. Additional remarks, continued

4. MIRU cementing Service Company. Pump 475 sxs 12.6ppg 2.05 yield 35/65 Poz H cement. BLM has requested cement from 50 ft below casing shoe to 500 ft inside intermediate casing shoe. The number of sacks here reflects a much bigger volume and takes into account the possibility that cement could fall down to TOC at 6,290 ft. Volumes are calculated with 35% excess over caliper log in open hole from intermediated casing shoe down to TOC, and as volume between 5 7/8 inch and 9 5/8 inch casing from intermediate casing shoe at 4,593 ft up to 4000ft.

5. If we are not able to pump down the backside, we will perforate @ 4,643 ft, 50 ft below the casing shoe and circulate the cement up the backside.

6. RDMO cementing Service Company.

7. Let cement set up, then run a CBL bond log.

8. TIH with tbg, latch on tubing and pull blanking plug. Turn well over to production.

Conditions of Approval

**Yates Petroleum Corporation
Jefe BSJ Federal Com 1H
API 30-025-40722
T25S-R32E, Sec 32
February 11, 2013**

1. Notify the BLM at **575-393-3612** prior to conducting the cement remediation.
2. Surface disturbance beyond the existing pad must have prior approval.
3. 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.
4. Functional H₂S monitoring equipment shall be on location.
5. 3000 (3M) BOP to 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.
6. **Operator shall maintain a pressure of 2,000-2,500 psi on the production casing during cement remediation.**
7. **Operator shall establish injection rate after loading the back side with brine.**
8. **Pressure shall not exceed 3,000 psi while performing Braden head squeeze.**
9. File a **subsequent sundry** Form 3160-5 within 30 days of the Braden head squeeze. Also submit copy of CBL.

JAM 021113