

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM 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

## 2. Name of Operator

Yates Petroleum Corporation

## 3a. Address

105 South Fourth Street, Artesia, NM 88210

## 3b. Phone No. (include area code)

(575) 748-1471

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

Surface: 2130' FSL &amp; 330' FEL,

BHL: 1980' FSL &amp; 330' FWL,

Section 13, T18S-R29E, Unit Letter (Surface I) (BHL L)

## 5. Lease Serial No.

NM-437522

## 6. If Indian, Allottee or Tribe Name

N/A

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

N/A

## 8. Well Name and No.

Slalom BPZ Federal #1H

## 9. API Well No.

30-015-38541

## 10. Field and Pool, or Exploratory Area

Undesignated Bone Spring

## 11. County or Parish, State

Eddy, 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 checked="" 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 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 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 shall 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 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/or casing sizes as per attached: Well will be drilled vertically to 7453'. Well will then be kicked off at approx. 7453' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 8228' MD (7930' TVD), lateral will then be drilled to 12348' MD (7710' TVD) with an 8 1/2" hole where 5 1/2" casing will be run and cemented from approx. 8150' to 2800'. A hydraulic stage packer tool will be set at approx. 8150' and a DV tool at approx. 5000'. Packers and Ports will be utilized in the lateral. Penetration point of producing zone will be 814' FEL & 1687' FNL Sec. 13, 18S-29E. Deepest TVD in the well is 7930' in the lateral. Field and Pool will be Undesignated Bone Spring. Cement excess will be 100% on Surface and Intermediate and 35% on Production String. Please see attached. Thank-You,

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

Name (Printed/Typed)

Troy M. Peterson

Title

Well Planner

Signature

Date

April 30, 2012

APPROVED

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

MAY 21 2012

/s/ Chris Walls

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

BUREAU OF LAND MANAGEMENT

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)

Accepted for record

NMOCD

5/23/2012

RECEIVED

MAY 22 2012

NMOCD ARTESIA



# Drilling Prognosis Report

## SLALOM BPZ FEDERAL #1H

API/UWI 3001538541		County EDDY	State NEW MEXICO	Property Sub 048774-001	N/S Dist (ft) 2,130 0	N/S Ref FSL	E/W Dist (ft) 330 0	E/W Ref FEL
Ground Elevation (ft) 3,465 00	Orig KB Elev (ft) 3,483 80	Lease Number NM-437522	Surface Legal Location SEC 13/TWN 18S/RNG 29E/UNT 1					
Directions To Well FROM LOCO HILLS AT THE JUNCTION OF HWY 82 AND COUNTY ROAD 217 GO SOUTHWEST ON COUNTY ROAD 217 FOR APPROX 3 MILES TURN LEFT ON COUNTY ROAD 216 GENERAL AMERICAN ROAD AND GO SOUTH FOR APPROX 2.7 MILES TO THE SAND TANK 19 FEDERAL #1 WELL LOCATION THE NEW ACCESS ROAD WILL START HERE GOING WEST FROM THE SAND TANK 18 FEDERAL #1 LOCATION FOR APPROX 0.2 OF A MILE TO THE NORTHEAST CORNER OF THE SLALOM BPZ FEDERAL #1H.								
Wellbore - Original Hole - HORIZONTAL								
Wellbore Name Original Hole	Parent Wellbore	Bottom Hole Legal Location SEC 13/TWN 18S/RNG 29E/UNT 1	NS Dist (ft) 1,980 0	NS Flag FSL	EW Dist (ft) 330 0	EW Flag FWL	Hole Direction HORIZONTAL	KO MD (ftK) 7,453 0
								Kick Off Method Steerable Motor
Wellbore Sections								
Section	Conductor	Size (in) 26	Depth Top Proposed (ftKB) 18 8	Depth Btm Proposed (ftKB) 58 8				
Section	Surface	Size (in) 17 1/2	Depth Top Proposed (ftKB) 58 8	Depth Btm Proposed (ftKB) 375 0				
Section	Intermediate 1	Size (in) 12 1/4	Depth Top Proposed (ftKB) 375 0	Depth Btm Proposed (ftKB) 3,300 0				
Section	Production 1	Size (in) 8 3/4	Depth Top Proposed (ftKB) 3,300 0	Depth Btm Proposed (ftKB) 8,228 0				
Section	Production 2	Size (in) 8 1/2	Depth Top Proposed (ftKB) 8,228 0	Depth Btm Proposed (ftKB) 12,348 0				
Formations								
Formation Name								Prog Top MD (ftKB)
RUSTLER								320 00
TANSILL								1,170 00
YATES								1,260 00
SEVEN RIVERS								1,670 00
QUEEN								2,250 00
GRAYBURG								2,630 00
SAN ANDRES								3,160 00
BONE SPRINGS								4,270 00
BONE SPRINGS 1 /SD/								6,950 00
2ND BONE SPRINGS SAN								7,572 00
TARGET SBSG								8,229 00
TD								12,348 00
Job Description								
Tgt Dpth - MD (ftKB) 7,930 0	Target Formation 2ND BONE SPRINGS SAN	Job Category New Drilling	Primary Job Type New Well			Primary Wellbore Affected Original Hole		
AFE Number		Total AFE Amount		Status 1 DRILLING				
Job Contacts								
Title TOOLPUSHER	Contact Name RAFEAL RAMIREZ	Phone Office	Phone Home	Phone Mobile 575-390-9872				
Title BUNKHOUSE	Contact Name RIG 511	Phone Office	Phone Home	Phone Mobile 325-574-4038				
Title RIG PHONE	Contact Name RIG FLOOR - 511	Phone Office	Phone Home	Phone Mobile 325-574-3467				
Title DRILLING CONSULTANT	Contact Name STEVE DEMORY	Phone Office	Phone Home	Phone Mobile 575-602-4444				
Title DRILLING ENGINEER	Contact Name JIM NIES	Phone Office 575-748-4117	Phone Home	Phone Mobile 575-703-5417				
Title ENGINEER	Contact Name MIKE HILL	Phone Office 575-748-4219	Phone Home	Phone Mobile 575-365-8706				
Title ASST DRLG SUPERINT	Contact Name MIKE LARKIN	Phone Office 575-748-4222	Phone Home 575-396-3504	Phone Mobile 575-703-1220				
Title GEOLOGIST	Contact Name PILAR RITCHERSON	Phone Office 575-748-4573	Phone Home 575-441-2551	Phone Mobile 575-703-3365				
Title DRLG SUPERINTENDENT	Contact Name TIM BUSSELL	Phone Office 575-748-4221	Phone Home 575-746-2121	Phone Mobile 575-365-5695				
Title DRILLING FOREMAN	Contact Name YFRAIN JAQUEZ	Phone Office	Phone Home	Phone Mobile 575-513-6107				
Mud Program								
Depth Start (ft) 58 8	Depth End (ftKB) 375 0	Mud Type Fresh Water	Wt/g 8 50	Wt/g 9 20	Funnel Viscosi	Funnel Viscosi	Wtr L	Wtr L
Oil Pe								
Chlorides Min								
Chlorides Max								
Comment								
Depth Start (ft) 375 0	Depth End (ftKB) 3,300 0	Mud Type Brine Water	Wt/g 9 80	Wt/g 10 10	Funnel Viscosi	Funnel Viscosi	Wtr L	Wtr L
Oil Pe								
Chlorides Min								
Chlorides Max								
Comment								
Depth Start (ft) 3,300 0	Depth End (ftKB) 12,348 0	Mud Type Cut Brine	Wt/g 8 70	Wt/g 9 20	Funnel Viscosi	Funnel Viscosi	Wtr L	Wtr L
Oil Pe								
Chlorides Min								
Chlorides Max								
Comment								



# Drilling Prognosis Report

SLALOM BPZ FEDERAL #1H

30' Sample to 3300' 10' Samples 5000'-TD

Logging  
PLATFORM EXPRESS/HALS, CMR,

DST's

Coring

Mudlogging  
On from 1000' to TD

KEEP LOCATION CLEAN, FILL OUT YPC SAFETY BOOK WEEKLY NOTIFY BLM OF BUILDING LOCATION, SPUD, RESUME DRILLING, CEMENTING CASING, BOP TEST, ETC

USE ONLY VENDORS ON YPC'S APPROVED VENDORS LIST FOR THE SERVICES YPC IS RESPONSIBLE FOR

PRESSURE CONTROL EQUIPMENT A 5M system will be nipped up and tested on 13 3/8" and 5M system nipped up and tested on 9 5/8" casing 5k wellhead

MAXIMUM ANTICIPATED BHP DEPTHS ARE TVD

0'-375' 180 PSI  
375'-3300' 1750 PSI  
3300'-7930' 3860 PSI

H2S is not anticipated

New well drilled vertically to 7453'. Well will then be kicked off at approx 7453' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8,228 MD (7930' TVD), lateral will then be drilled to 12348' MD (7,710' TVD) with a 8 1/2" hole where 5 1/2" casing will be run and cemented from approx 8150' to 2800' A Hydraulic Stage Packer Tool will be set at approx 8150' and a DV tool at approx 5000' Packers and ports will be utilized in the lateral Penetration point of producing zone will be 814 FEL & 1687 FNL S 13-18S -29E Deepest TVD in the well will be 7930' in the lateral

## Casing - Conductor Casing - 58.8' - Wellbore - Original Hole

Comment

String Nominal OD (in)		Weight/Length (lbs/ft)		Set Depth (ftKB)		Wellbore							
20		94 00		58 8		Original Hole							
OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collaps)	Burst Pres	Max Tensil	ID (in)	Drift (in)	Mk-up Tq (	Max Tq (ft-
20	94 00	H-40	ST&C	18 8	58 8	40 00	520 0	1,530 0	581	19 124	18 936	3,220	4,030

## Casing - Surface Casing - 375.0' - Wellbore - Original Hole

Comment

String Nominal OD (in)		Weight/Length (lbs/ft)		Set Depth (ftKB)		Wellbore							
13 3/8		48 00		375 0		Original Hole							
OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collaps)	Burst Pres	Max Tensil	ID (in)	Drift (in)	Mk-up Tq (	Max Tq (ft-
13 3/8	48 00	H-40	ST&C	0 0	375 0	375 00	740 0	1,730 0	322	12 715	12 559	3,220	4,030

## Casing - Intermediate Casing - 3,300.0' - Wellbore - Original Hole

Comment

36# & 40# 9 5/8" Casing will be either J-55 or K-55

String Nominal OD (in)		Weight/Length (lbs/ft)		Set Depth (ftKB)		Wellbore							
9 5/8		36 00		3,300 0		Original Hole							
OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collaps)	Burst Pres	Max Tensil	ID (in)	Drift (in)	Mk-up Tq (	Max Tq (ft-
9 5/8	40 00	J-55	LT&C	0 0	200 0	200 00	2,570 0	3,950 0	520	8 835	8 750	5,200	6,500
9 5/8	36 00	J-55	LT&C	200 0	2,900 0	2,700 00	2,020 0	3,520 0	453	8 921	8 765	4,530	5,660
9 5/8	40 00	J-55	LT&C	2,900 0	3,300 0	400 00	2,570 0	3,950 0	520	8 835	8 750	5,200	6,500

## Casing - Production Casing - 12,348.0' - Wellbore - Original Hole

Comment

String Nominal OD (in)		Weight/Length (lbs/ft)		Set Depth (ftKB)		Wellbore							
5 1/2		17 00		12,348 0		Original Hole							
OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collaps)	Burst Pres	Max Tensil	ID (in)	Drift (in)	Mk-up Tq (	Max Tq (ft-
5 1/2	17 00	P-110	LT&C	0 0	7,400 0	7,400 00	7,480 0	10,640 0	445	4 892	4 767	4,620	5,780
5 1/2	17 00	P-110	Bultress Thread	7,400 0	12,348 0	4,948 00	7,480 0	10,640 0	445	4 892	4 767		

## Cement Job -- Production Casing, 12,348.0ftKB, Proposed: Yes

Description		Proposed?	String		Wellbore	
Production Cement		Yes	Production Casing, 12,348 0ftKB, Proposed		Original Hole	
Stage Number	Description	Top (ftKB)		Bottom (ftKB)		Wellbore
2	Production Cement	2,800 0		5,000 0		Original Hole
Fluid Type		Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)	
Lead		240	35 65 6PzC	12 50	2 00	
Fluid Type		Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)	
Tail		200	C	14 80	1 34	
Stage Number	Description	Top (ftKB)		Bottom (ftKB)		Wellbore
1	Production Cement	5,000 0		8,150 0		Original Hole
Fluid Type		Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)	
Lead		410	35 65 6PzC	12 50	2 00	
Fluid Type		Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)	
Tail		180	PecosVILt	13 00	1.41	

## Cement Job -- Conductor Casing, 58.8ftKB, Proposed: Yes

Description		Proposed?	String		Wellbore
Conductor Cement		Yes	Conductor Casing, 58 8ftKB, Proposed Yes		Original Hole
Stage Number	Description		Top (ftKB)	Bottom (ftKB)	Wellbore
1	Conductor Cement		18 8	58 8	Original Hole
Fluid Type		Amount (sacks)	Class	Weight (lb/gal)	Yield (ft <sup>3</sup> /sack)
Lead			Ready Mix		



## Drilling Prognosis Report

SLALOM BPZ FEDERAL #1H

<b>Cement Job -- Intermediate Casing, 3,300.0ftKB, Proposed: Yes</b>					
Description Intermediate Cement		Proposed? Yes	String Intermediate Casing, 3,300 0ftKB, Proposed Yes		Wellbore Original Hole
Stage Number 1	Description Intermediate Cement	Top (ftKB) 18 8		Bottom (ftKB) 3,300 0	Wellbore Original Hole
Fluid Type Lead	Amount (sacks) 895	Class 35 65 6PzC		Weight (lb/gal) 12 50	Yield (ft <sup>3</sup> /sack) 2 00
Fluid Type Tail	Amount (sacks) 200	Class C		Weight (lb/gal) 14 80	Yield (ft <sup>3</sup> /sack) 1 34
<b>Cement Job -- Surface Casing, 375.0ftKB, Proposed: Yes</b>					
Description Surface Cement		Proposed? Yes	String Surface Casing, 375 0ftKB, Proposed Yes		Wellbore Original Hole
Stage Number 1	Description Surface Cement	Top (ftKB) 18 8		Bottom (ftKB) 375 0	Wellbore Original Hole
Fluid Type Lead	Amount (sacks) 390	Class C		Weight (lb/gal) 14 80	Yield (ft <sup>3</sup> /sack) 1 34



# Drilling Prognosis Schematic

## SLALOM BPZ FEDERAL #1H

Surface Legal Location SEC 13/TWN 18S/RNG 29E/UNT I	County EDDY	State NEW MEXICO
Rigs		
Rig Contractor		Rig No

