Form 31(
(August

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No 1004-0135
Expires Jnovember 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

5. Lease Serial No.
NM-0437523

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Grateful "Bod" Federal Com. #2H

2. Name of Operator
Yates Petroleum Corporation

9 API Well No.
3001538518

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

3b. Phone No. *(include area code)*
(575) 748-1471

10. Field and Pool, or Exploratory Area
Wildcat Bone Spring

4. Location of Well *(Footage, Sec , T., R , M , or Survey Description)*
Surface: 1650' FNL & 330' FEL,
BHL: 1980' FNL & 330' FWL,
Section 13, T18S-R29E, Unit Letter (Surface H) (BHL E)

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☒ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 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 Production Cement as per attached:
See the Highlighted section.

RECEIVED
MAY 08 2012
NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

KRDade 05/24/12
Accepted for record
NMOCD

Thank-You,

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

Name *(Printed/Typed)* Troy M. Peterson — Title Well Planner

Signature — Date May 2, 2012

THIS SPACE FOR FEDERAL OR STATE USE

APPROVED
MAY - 7 2012
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by PETROLEUM ENGINEER — Title — Date

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)

Grateful BOD Federal Com. #2H

Surface Casing set in 17 1/2" hole

Surface casing grade will be H-40/J55

0 ft to 375 ft				Make up Torque ft-lbs			Total ft = 375
O.D.	Weight	Grade	Threads	opt	min.	mx.	
13.375 inches	48 #/ft	H-40	ST&C	3,220	2,420	4,030	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
740	1,730 psi	322 ,000 #		541 ,000 #		12.559	

Cement: 375 sacks of class C with a weight of 14.8 and a yield of 1.34. 100% excess

Intermediate Casing set in 12 1/4" hole

Intermediate casing grade will be either J-55 or K-55

0 ft to 200 ft				Make up Torque ft-lbs			Total ft = 200
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625 inches	40 #/ft	J-55	ST&C	4,520	3,390	5,650	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,570 psi	3,950 psi	452 ,000 #		630 ,000 #		8.75-SD	

200 ft to 2,900 ft				Make up Torque ft-lbs			Total ft = 2,700
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625 inches	36 #/ft	J-55	ST&C	3,940	2,960	4,930	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,020 psi	3,520 psi	394 ,000 #		564 ,000 #		8.765	

2,900 ft to 3,300 ft				Make up Torque ft-lbs			Total ft = 400
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
9.625 inches	40 #/ft	J-55	ST&C	4,520	3,390	5,650	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,570 psi	3,950 psi	452 ,000 #		630 ,000 #		8.75-SD	

Cement: Lead: 940 sacks of C-Lite with weight of 12.5 and a yield of 2.0 Tail: 200 sacks of class C with a weight of 14.8 and yield of 1.34. 100% excess

Production Casing

Drilled with an 8 3/4" hole to 8,295' MD then reduce hole to 8 1/2" from 8,295'-12,438' MD.

0 ft to 7,500 ft				Make up Torque ft-lbs			Total ft = 7,500
O.D.	Weight	Grade	Threads	opt.	min	mx.	
5.5 inches	17 #/ft	P-110	LT&C	4620	3470	5780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,480 psi	10,640 psi	445 ,000 #		546 ,000 #		4.767	

7,500 ft to 12,438 ft				Make up Torque ft-lbs			Total ft = 4,938
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	17 #/ft	P-110	BT&C				
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,480 psi	10,640 psi	445 ,000 #		546 ,000 #		4.767	

Cement: A hydraulic stage packer tool will be set at approx. 8175' and a DV tool at 5000'. Casing will then be cemented 500' into the intermediate casing. Packers and Ports will be utilized in the lateral.
1st stage: Lead: 410 sacks of 35:65:6 POZ C (YLD 2 WT 12.5), Tail: 190 sacks of PVL (YLD 1.41 WT 13) 8175' - 5000'
2nd stage: Tail: 239 sacks of 35:65:6 POZ C (YLD 2 WT 12.5), Tail: 200 sacks of Class C (YLD 1.34 WT 14.8) 5000' - 2800'
35% excess. WOC 6 hours between stages.

Grateful BOD Federal Com #2H
Yates Petroleum Company
30-015-38518
May 7, 2012
Conditions of Approval

Summary of Current Status:

- Revised casing program per Sundry approved 4 Jan 2012:
  - 17-1/2" hole x 11-3/4" H-40 or J-55 at approximately 375'
  - 12-1/4" x 9-5/8" J-55 or K-55 at 3300'
  - 5-1/2" 17# P-110 and L-80 LT&C and Buttress at 12407'
- Wildcat Bone Springs with drilling in progress

Current Sundry Requests:

Yates Petroleum is requesting to change the hole and/or casing sizes:

1. 17-1/2" hole hole x 13-3/8" 48# H-40 STC at approximately 375'
2. 12-1/4" hole x 9-5/8" casing as follows:
   a. 12-1/4" x 9-5/8" 40# J-55 STC from 0' – 200'
   b. 12-1/4" x 9-5/8" 36# J-55 STC from 200' – 2900'
   c. 12-1/4" x 9-5/8" 40# J-55 STC from 2900' – 3300'
3. 8-3/4" hole x 5-1/2" casing as follows:
   a. 8-3/4" x 5-1/2" 17# P-110 LTC from 0' – 7500'
   b. 8-3/4" x 5-1/2" 17# P-110 BTC from 7500' – 12438'

Cement: A hydraulic stage packer tool will be set at approximately 8175' and a DV tool at 5000'. Casing will then be cemented from the stage packer to 500' into the intermediate casing. Uncemented packers and ports will be utilized in the lateral. The directional plan is not revised.

Conditions of Approval:

- Utilization of 13-3/8" surface casing and the associated cement design are approved.
- Utilization of the 9-5/8" combination intermediate casing and the associated cement design are approved.
- Utilization of the 5-1/2" combination Production casing string and the associated cement design placing cement across the interval 2700' – 8175' are approved.
  - ☐ First stage to stage packer tool at 8175': Packers and ports will be utilized in the lateral.
  - ☐ Second stage to DV tool at 5000': Cement to circulate. Operator is responsible to confirm TOC. Notify BLM if cement does not circulate.
  - ☐ Third stage to 9-5/8" casing: TOC to be 2700' (500' above 9-5/8" shoe). Operator is responsible to confirm TOC. Notify BLM if cement does not reach this depth.
- Subsequent sundries to be filed with drilling details about spud, casing and completion work.

TMM 05/07/2012