

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC064488E
2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T19S R25E NWNE 660FNL 1980FEL		8. Well Name and No. OTTAWA AOW FEDERAL 3
		9. API Well No. 30-015-28897
		10. Field and Pool, or Exploratory PENASCO; WOLFCAMP
		11. County or Parish, and State EDDY COUNTY, NM

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 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 checked="" 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 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 plans to plugback and recomplete this well as follows:

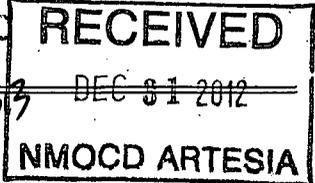
- MIRU all safety equipment as needed. NU BOP.
- Make a GR/JB run down to 7768'; then set a 7" CIBP at 7758' with 25 sx cement on top.
- Perforate Wolfcamp 6010'-6198'(22).
- Acidize with 5000g 15% HCL with 2g/M gelling agent, cationic surfactant, corrosion inhibitor and iron control additives. Drop 40 1.3 SG RCN ball sealers spaced out evenly throughout the acid. Flush to bottom perf and over flush by 75 bbls.
- Swab test and evaluate and consider combining lower zone and this zone and turning well over to production. If the zone is wet set a CIBP at 5960' with 35' cement on top.
- Perforate Wolfcamp 5836'-5894'(17).
- Acidize with 5000g 20% HCL with 2g/M gelling agent, cationic surfactant, corrosion inhibitor and iron control additives. Flush to bottom perf and over flush by 75 bbls.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SUBJECT TO LIKE
APPROVAL BY STATE

Accepted for record

Provide CIOZ NMOCD-165



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

Electronic Submission #160696 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 11/20/2012 ()

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 11/19/2012

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

DEC 27 2012
Date
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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 **

Additional data for EC transaction #160696 that would not fit on the form

32. Additional remarks, continued

8. Swab test and evaluate and combine with lower zones, if they were productive.
9. TIH with tubing. RIH with pump and rods and hang well off. Turn well over to production.

Wellbore schematics attached

WELL NAME: Ottawa AOW Fed # 3 FIELD: Dagger Draw Upper Penn

LOCATION: 660' FNL & 1,980' FEL of Section 10-19S-25E Eddy Co., NM

GL: 3,477' ZERO: 17' KB: 3,494'

SPUD DATE: 05/18/96 COMPLETION DATE: 07/09/96

COMMENTS: API No.: 30-015-28897

CASING PROGRAM

9-5/8" 36# J-55	1,158'
Top	
7" 26# J-55 LT&C 837'	
7" 23# J-55 LT&C 4,602'	
7" 26# J-55 LT&C 2,147'	
7" 26# N-80 LT&C 665'	8,250'

14-3/4" Hole

8-3/4" Hole

9-5/8" @ 1,158' w/1,300 sx
1"ed to surface with 400 sx.

DV tool @ 6,011'

Canyon Perfs: 7,808'-7,842'

TD: 8,250'

7" @ 8,250' w/
1st stage 500 sx (Circ)
2nd stage 900 sx (Circ)

Before

TOPS

SA 769'
Glorieta 2,219'
BS 3,606'
WC 5,582'
Canyon 7,615'

Not to Scale
8/16/12
Hll

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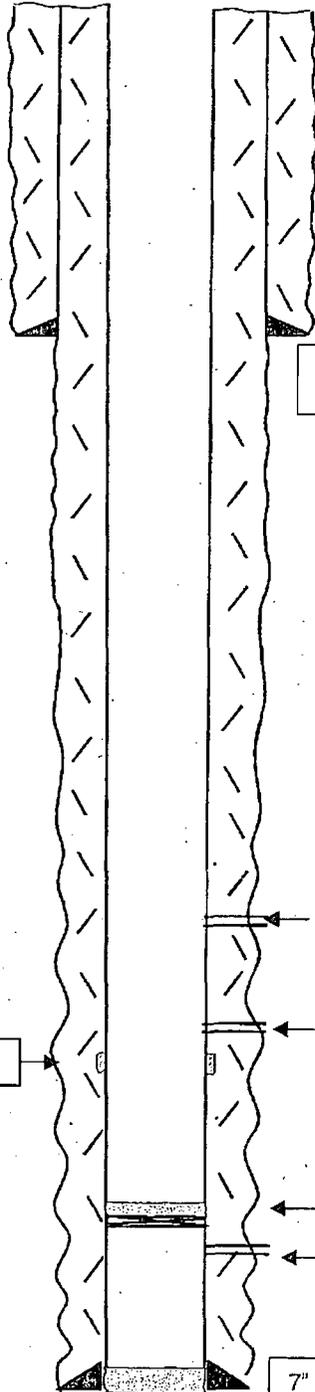
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WC Dolo Perfs: 5,836'-5,894' (17)

WC Lime Perfs: 6,010'-6,198' (22)

CIRP @ 7,758' w/ 25 sx nlin

Canyon Perfs: 7,808'-7,842'

7" @ 8,250' w/
1st stage 500 sx (Circ)
2nd stage 900 sx (Circ)

TD: 8,250'

After

TOPS	
SA	769'
Glorieta	2,219'
BS	3,606'
WC	5,582'
Canyon	7,615'

Not to Scale
8/16/12
Hill

Conditions of Approval

Yates Petroleum Corporation
Ottawa AOW Federal 3
API 30-015-28897
T19S-R25E, Sec 10
December 27, 2012

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by April 1, 2013. An extension can be submitted if necessary.

- 1. CIBP shall be set at 7758' (50' above the top perforation). A minimum of 35' of Class H cement shall be placed on top of the CIBP. Tag required.**
- 2. CIBP shall be set at 5960' (50' above the top perforation). A minimum of 35' of Class C cement shall be placed on top of the CIBP. Tag required.**
3. Functional H₂S monitoring equipment shall be on location.
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. Notify BLM 575-200-7902 before plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. If there is no response, 575-361-2822. Note the contact, time, & date in your subsequent report.
6. Surface disturbance beyond the originally approved pad must have prior approval.
7. 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.
8. A minimum of 3,000 (3M) BOPE shall 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.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

10. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.
11. Class H > 7,500' & Class C < 7,500') cement plugs(s) will be necessary. The minimum pumped volume of 25 sacks of cement slurry is to exceed a 100' cement plug across the drilled wellbore. Add 10% to the 100' slurry volume for each 1,000' of plug depth when calculations indicate the need. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft³/sx, 5.2gal/sx water.
12. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
13. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
14. Submit the BLM Form 3160-4 **Completion Report** within 30 days of the date all BLM approved procedures are complete. **Include all formation tops.**
15. Workover approval is good for 90 days (completion to be within 90 days of approval). A detailed justification is necessary for extension of that date.
16. Submit evidence to support your determination that the well has been returned to active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).
17. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

JAM 122712

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.