

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTNMOC  
ArtesiaFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 20105. Lease Serial No.  
NMNM78214

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

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: TINA HUERTA

E-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

10. Field and Pool, or Exploratory

WILDCAT BONE SPRING

11. County or Parish, and State

EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

## TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☒ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 recompleate 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 recompleation 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 recompleate this well as follows:

1. MIRU WSU and any safety equipment as needed. NU BOP.

2. POOH with existing production equipment.

3. Set a cement retainer at 2870'. Sting into retainer and pump 100 sx Class "C" cement to squeeze the current perfs 2900'-2930'; pump 50 sx at a low rate into the formation, then hesitate the last 50 sx into the formation. If a positive squeeze pressure cannot be established, over displace the cement and resqueeze.

4. WOC. Drill out the retainer and all the cement plugs in the 7" casing down to 7478'. Circulated the hole clean.

5. Perforate Bone Spring 7160'-7378'(110).

6. Set packer at 6910'. Acidize with 3000g Iron control 7-1/2% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load annulus and monitor during the job.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

RECEIVED

FEB 25 2013

NMOC ARTESIA

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

Electronic Submission #150247 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by KURT SIMMONS on 09/20/2012 ()

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 09/14/2012

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

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 \*\*

SUBJECT TO LIKE  
APPROVAL BY STATE

**Additional data for EC transaction #150247 that would not fit on the form**

**32. Additional remarks, continued**

Drop 150 ball sealers spaced evenly throughout the acid. Flush to bottom perf with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac, set a blanking plug in the O/O tool. RIH with frac string and jay onto packer. Pull blanking plug and frac (see attached frac details).

7. Shut well in for 8 hrs to allow gel to break and resin to cure. Flow well back if it will. TIH with notched blade bit and 2-7/8" tubing to 7478', to ensure there is no sand across perforated interval.

8. Set a composite BP at 7200' then perforate 6770'-6792'(23).

9. Set packer at 6520'. Acidized with 1500g Iron control 7-1/2% HCL. Pump the acid at 6-8 BPM while limiting surface treating pressure to 4000 psi. Load annulus and monitor during the job. Drop 35 ball sealers spaced evenly throughout the acid. Flush to bottom perf with 3% KCL water with a nonionic surfactant. Swab test and evaluate, if the decision is made to frac, set a blanking plug in the O/O tool. RIH with frac string and jay onto packer. Pull blanking plug and frac (see attached frac details).

10. Shut well in for 8 hrs to allow gel to break and resin to cure. Flow the well back if it will. Drill up BP and clean out to PBTD 7478'.

11. Swab the well until it cleans up, TIH with pump and rods, hang well and turn to production.

Wellbore schematics attached

### Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant		Proppant Type
			Stage	Cumulative	
1	30000.	0.00	0.	0.	----
2	15000.	1.00	15000.	15000.	20/40 Ottawa
3	17500.	2.00	35000.	50000.	20/40 Ottawa
4	20000.	3.00	60000.	110000.	20/40 Ottawa
5	10000.	4.00	40000.	150000.	20/40 Ottawa
6	12500.	4.00	50000.	200000.	20/40 Super LC
7	+/- 3000.	0.00	0.	0.	----

Estimated Surface Treating Pressure @ 40 BPM = 5,800 psig.  
Maximum allowable pressure is 10,000 psig.

**Fluid Specifications:** A 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. Test the fluid with and without the Resin Activator. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

**YPC to furnish:** 6 clean frac tanks with 480 BBL of 3% KCL water in each.

**Service company to provide:** computer van with job reports, weight tickets, on location and QC lab van.

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WELL NAME: Anemone ANE Federal #3 FIELD: East Indian Basin

LOCATION: 810' FNL & 1930' FEL Sec 9-22S-24E Eddy County, NM

GL: 4171' ZERO: 18' KB: \_\_\_\_\_

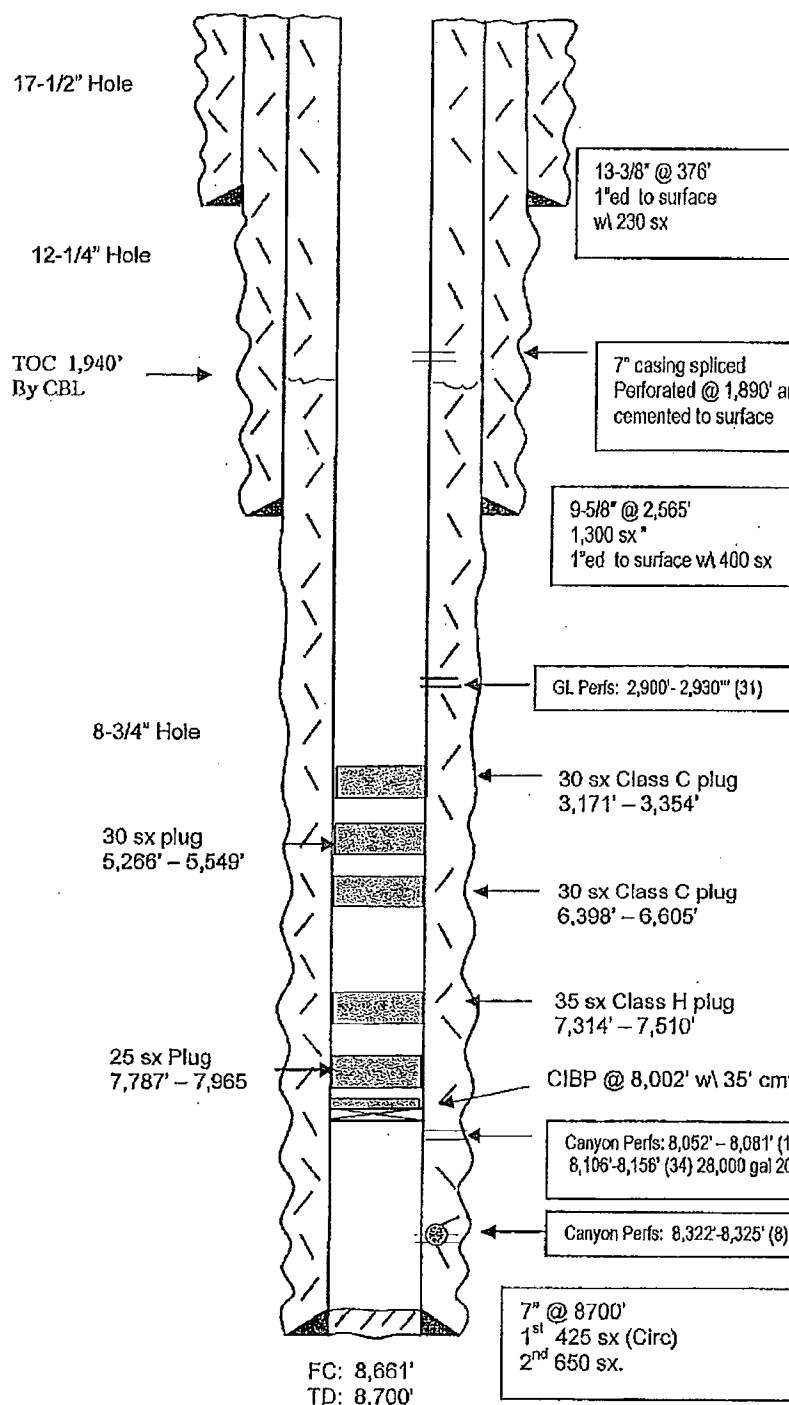
SPUD DATE: 10/3/94 COMPLETION DATE: 11/10/94

COMMENTS: API No.: 30-015-28126

#### CASING PROGRAM

13-3/8" 54.5# J-55 ST&C	376'
9-5/8" 36# J-55 ST&C	2565'
7" 26# N-80 LTC	351'
7" 26# J-55 LTC	1,180'
7" 23# J-55 LTC	3,314'
7" 26# J-55 LTC	2,509'
7" 26# N-80 LTC	1,346'
	<u>8700'</u>

**Before**



#### TOPS

San Andres	1301'
Glorieta	2791'
BS Lime	3299'
Wolfcamp	7460'
Canyon	8024'

Not to Scale  
1/17/12  
JMH

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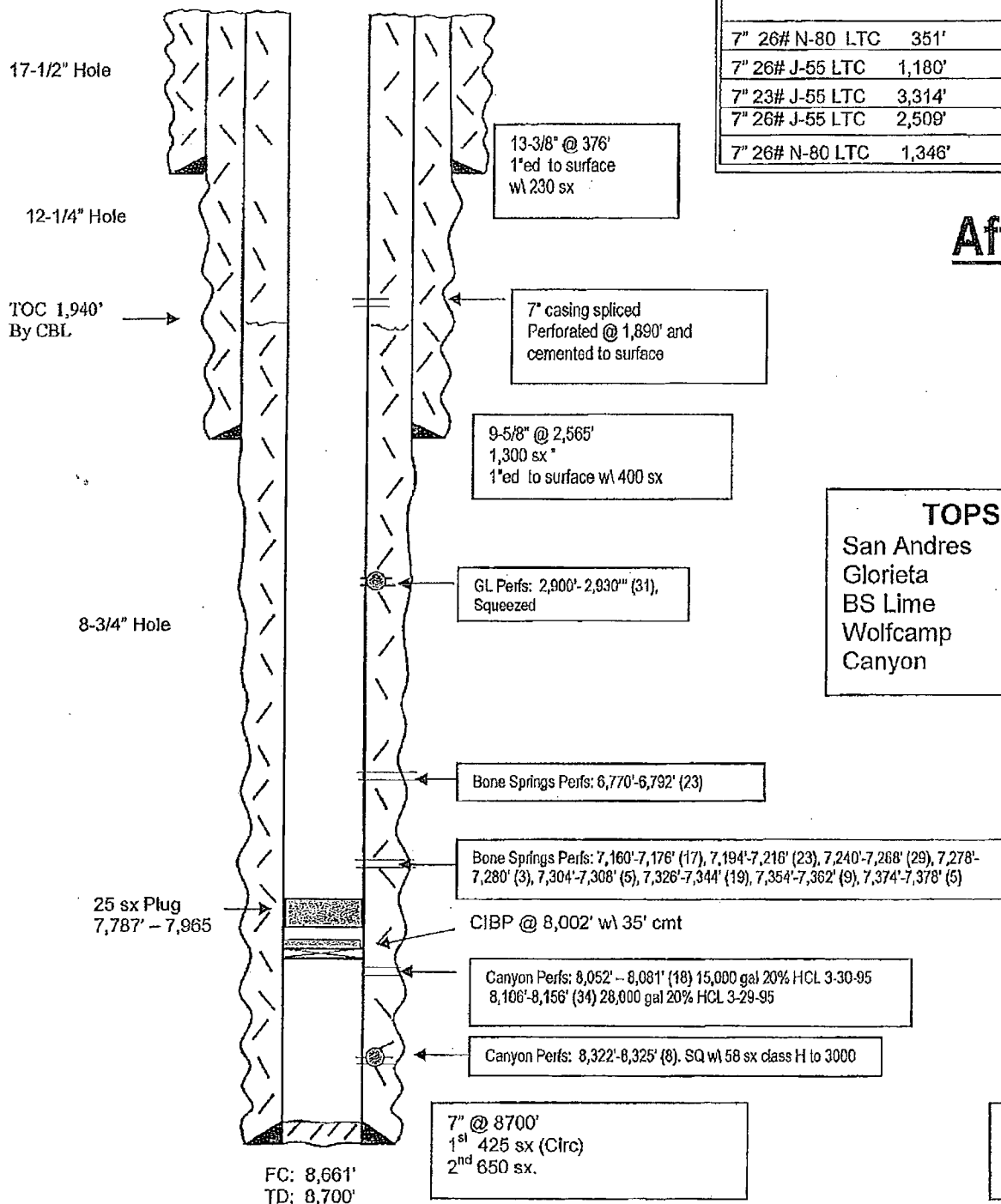
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## Conditions of Approval

Yates Petroleum Corporation  
Anemone ANE - 03  
API 3001528126, T22S-R24E, Sec 09  
February 21, 2013

1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. **Provide BLM with an electronic copy (Adobe Acrobat Document) of the cement bond log record from 3198 ran 04/02/2012. The CBL may be attached to a [pswartz@blm.gov](mailto:pswartz@blm.gov) email.**
4. Surface disturbance beyond the existing pad must have prior approval.
5. 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.
6. Functional H<sub>2</sub>S monitoring equipment shall be on location.
7. A minimum of 3000 (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.
8. 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.
9. **After drilling out to 7478PBTD and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 500 psig. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
10. 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.
11. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
12. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

An inactive/shut-in well bore is a non-producing completion that is capable of “beneficial use” i.e. production in **paying quantities** or of service use.

13. 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) before 05/14/2013.
14. Should “beneficial use” not be achieved submit for BLM approval a plan for plug and abandonment.

**EGF/ PRS 022113**

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](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.