

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM92742
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: TINA HUERTA E-Mail: tinah@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	8. Well Name and No. ZINGARO ANG FED 5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T22S R23E SESW 710FSL 2050FWL		9. API Well No. 30-015-32346-00-S1
		10. Field and Pool, or Exploratory INDIAN BASIN-UPPER PENN ASSOC
		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 recomple 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 recomple this well as follows:

1. MIRU WSU. NU BOP and safety equipment as needed.
2. TIH to cut a cement plug and recover any bands, cable or other junk left in the hole by production operations. Drill cement and clean out 4-1/2 inch liner down to 9653 ft.
3. Run a CBL/GR/CC from PBTD to top of liner. Perforate Morrow 9468 ft - 9588 ft (61).
4. Set packer 200 ft above top perforation. RU to flare for production test. Pump a water blanket then drop the tube to open the vent and drop the bar to fire guns.
5. Flow test and evaluate. If decision is made to acidize, pump 2000g clay safe H with 2000 scf/N2 per barrel and flush with treated water and N2. Flow test and evaluate, consider turning well over to production.
6. If the decision is made to frac, load hole as necessary with treated water.
7. Set a 7 inch RBP at the liner top and dump 5 sx sand on top. Set a retainer at +/-7400 ft.

NM OIL CONSERVATIONND 12/19/14
Accepted for record
NMOCDC DEC 09 2014**RECEIVED
SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Submit C102

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

Electronic Submission #258377 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by ED FERNANDEZ on 12/01/2014 (15EF0014SE)

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 08/26/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

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 Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******SEE ATTACHED FOR
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Additional data for EC transaction #258377 that would not fit on the form

32. Additional remarks, continued

Sting into retainer. Pump 24 bbls fluid loss/loss circulation material at 0.3 lbm/gal followed by 20 bbls fresh water. Allow material to swell for 20 min. Pump 250 sx Class H Neat cement followed by 200 sx Class H cement with 2 percent CaCl. Displace with 22 bbls and sting out of retainer. If well is taking fluid on a vacuum, pump the job at 1-2 BPM while holding 500 psi on the annulus. WOC 24 hrs.

8. Attempt to sting back into retainer. If we can sting back into retainer, attempt to establish an injection rate. If we are unable to pump into formation POOH and prepare to drill out retainer. If we can pump into formation, consult with office for a squeeze procedure and slurries, re-squeeze if necessary.

9. Drill out retainer and clean out to RBP. Pressure test casing to 1000 psi and re-squeeze if necessary. Circulate hole clean. TIH to recover RBP.

10. Pump a frac treatment (detailed frac attached) at 26 BPM down tubing. A flow back manifold will be required to flow back the fracturing fluid after the treatment is concluded. Do not start flow back until WSC has had time to rig down their equipment and clear the area.

11. Flow test and evaluate. TIH with production equipment and turn well over to production. Wellbore schematics attached

Morrow Sand Treating Schedule

Stage Number	gal Foam	IPF at 163°F	Prop Conc		lb Proppant		
			lb/gal	Foam	Stage	Cumulative	Proppant Type
1	26000.	.65	0.00		0.	0.	
2	5000.	.65	.50		2500.	2500.	20/40 Carbo-Lite
3	15000.	.65	1.00		15000.	17500.	20/40 Carbo-Lite
4	10000.	.65	1.50		15000.	32500.	20/40 Carbo-Lite
5	4000.	.65	2.00		8000.	40500.	20/40 Carbo-Lite
6	3671.	.65	0.00		0.	0.	

Estimated Surface Treating Pressure = 7,876 psig

Maximum Surface Treating Pressure = 8,552 psig w/ holding 500 psi on the annulus.

Fluid Specifications: A 40# CMHPG gel, with a foamer, gas surfactant, migrating clay control additive and 7% KCl. Design breakers for 60% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated breaker and liquid breaker to achieve a 4-hour break. Under flush the well 1-2 bbl short of the top perf.

YPC will provide:

Two clean frac tank with 310 bbls of 7% KCL in each for the treatment and flush.

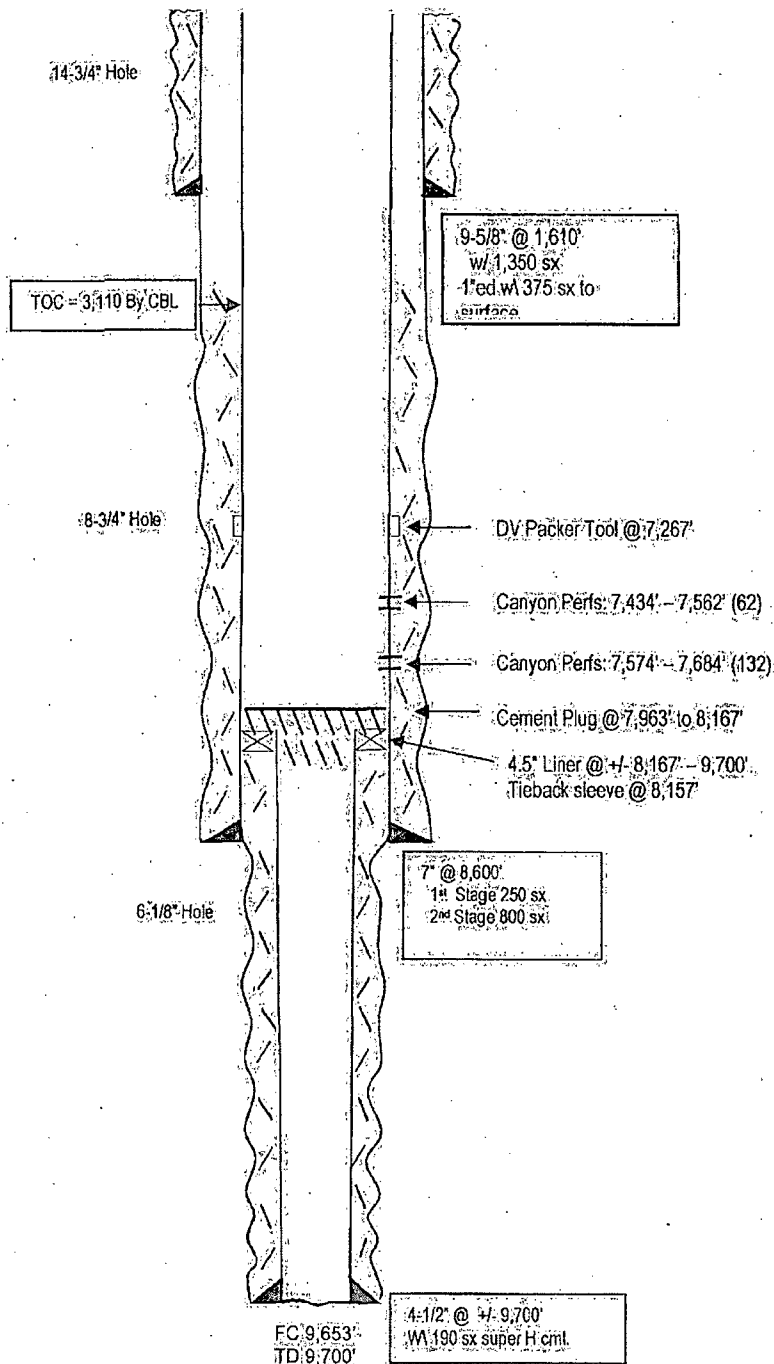
178 tons of CO2, CO2 Booster and portables. 178 tons includes 20 tons cool down and excess.

WELL NAME: Zingaro ANG Federal No. 5 FIELD: East Indian Basin
 LOCATION: 710' FSL & 2,050' FWL Sec 1-22S-23E Eddy County
 GL: 3,927' ZERO: KB: 3,946'
 SPUD DATE: 6-05-03 COMPLETION DATE: 7-13-03
 COMMENTS: API # 30-015-32346

CASING PROGRAM

9-5/8" 36# J55	1,610'	1,610'
7" 26# J55 LT&C	255'	
7" 23# J55 LT&C	5,462'	
7" 26# J55 LT&C	2,365'	
7" 26# L80 LT&C	521'	8,600'
4-1/2" 11.6# P110 Liner		9,700'

Before



Not to Scale

10/10/06

Hill

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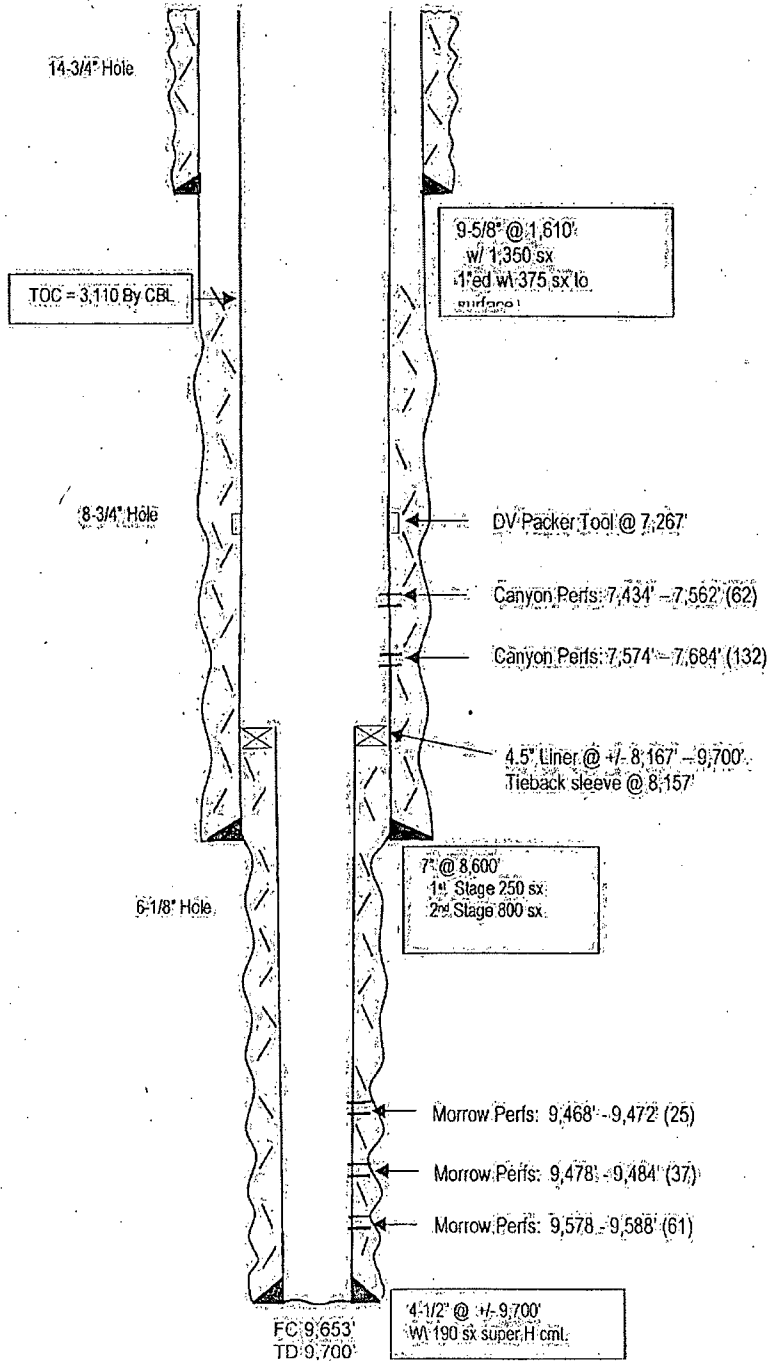
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After



Not to Scale

10/10/06

Bill

Conditions of Approval

Yates Petroleum Corporation
Zingaro ANG – Federal #5
API 3001532346, T22S-R23E, Sec 01
August 26, 2014

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. Surface disturbance beyond the existing pad must have prior approval.
4. 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.
5. Functional H₂S monitoring equipment shall be on location.
6. 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.
7. **Provide BLM with an electronic copy (Adobe Acrobat Document) of cement bond log record in step #3 of operator’s procedure.**
8. **Operators Step #9 Provide to BLM a chart recorded pressure test pressure should be 1000 psig for 30 minutes of casing.**
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. 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.