

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICTFORM 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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No. NMNM045274
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. NMNM84604
8. Well Name and No. HILLVIEW AHE 16
9. API Well No. 30-015-27125-00-S2
10. Field and Pool, or Exploratory CEMETERY-WOLFCAMP
11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS E-Mail: laura@yatespetroleum.com
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4272 Fx: 575-748-4585
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T20S R24E SWSW 660FSL 660FWL	

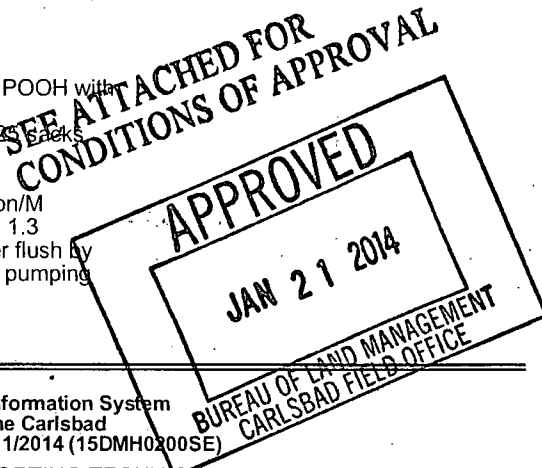
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 recompleat 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 recompleat 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 recompleat this well as follows:

1. NU BOP. RU all H2S and safety equipment. No casing recovery will be attempted. POOH with tubing and packer if any exist.
2. Run a gauge ring and junk bakset to 6,666 ft. Set a CIBP at 6,656 ft and cap it with 25 sacks of Class H cement, this will place a plug over the Wolfcamp perforations.
3. Perforate Abo 5,498 ft - 5,546 ft (49 holes).
4. Set a packer at 5,398 ft and acidize with 5,000 gallons of 20 percent HCL with 2 gallon/M gelling agent, cationic surfactant, corrosion inhibitor and iron, control additives. Drop 75 1.3 sg ball sealers spaced out evenly throughout the acid. Flush to the bottom perf and over flush by 100 barrels. Swab test and evaluate and consider turning the well over to production or pumping 20,000 gallons acid frac.



14. I hereby certify that the foregoing is true and correct. Electronic Submission #284925 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 12/11/2014 (15DMH0200SE)	
Name (Printed/Typed) LAURA WATTS	Title REG REPORTING TECHNICIAN
Signature (Electronic Submission)	Date 12/11/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 01/21/2015
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.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #284925 that would not fit on the form

32. Additional remarks, continued

5. POOH with tools. Turn well over to production.

WELL NAME: Hill view "AHE" Federal No.16

FIELD: Dagger Draw

LOCATION: Unit M, 660' FSL & 660' FWL, Sec 14-20S-24E

COUNTY: Eddy

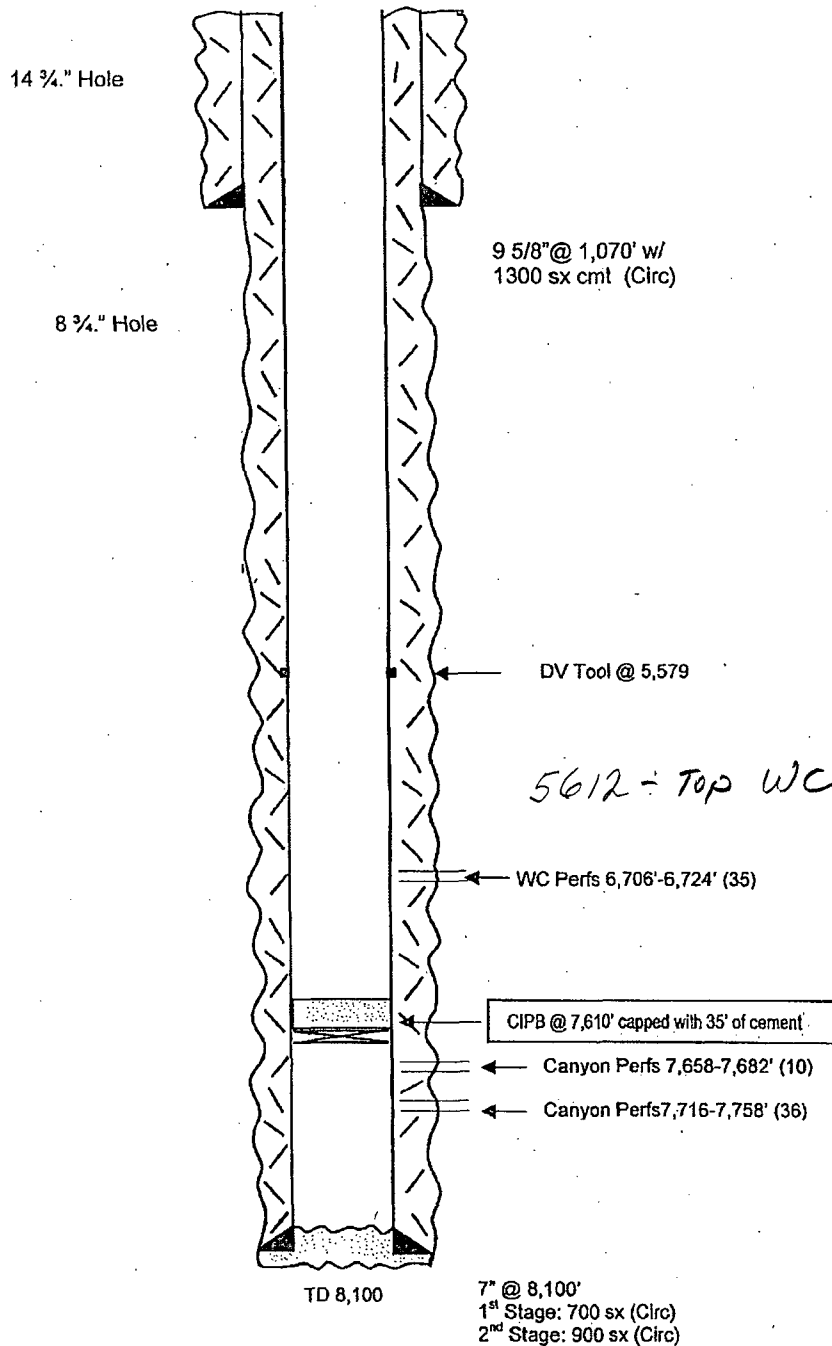
GL: 3638' ZERO: 18' KB: 3,656'

SPUD DATE: 12/12/92 COMPLETION DATE 1/25/93

COMMENTS: API No. 30-015-27125

CASING PROGRAM

9-5/8" 36# J55 STC		1070'
7" 26# N80 SB	490'	
7" 26# J55 SB	381'	
7" 26# J55 MV	2,299'	
7" 23# J55 MV	3,807'	
7" 26# J55 MV	1,103'	
7" 26# J55 SB	20'	8,100'



Before

Tops

SA	501'
Glorieta	2,051'
BS Lm	3,416'
WC Lm	5,612'
Canyon	7,508'

Not to Scale
9/17/14
Hill

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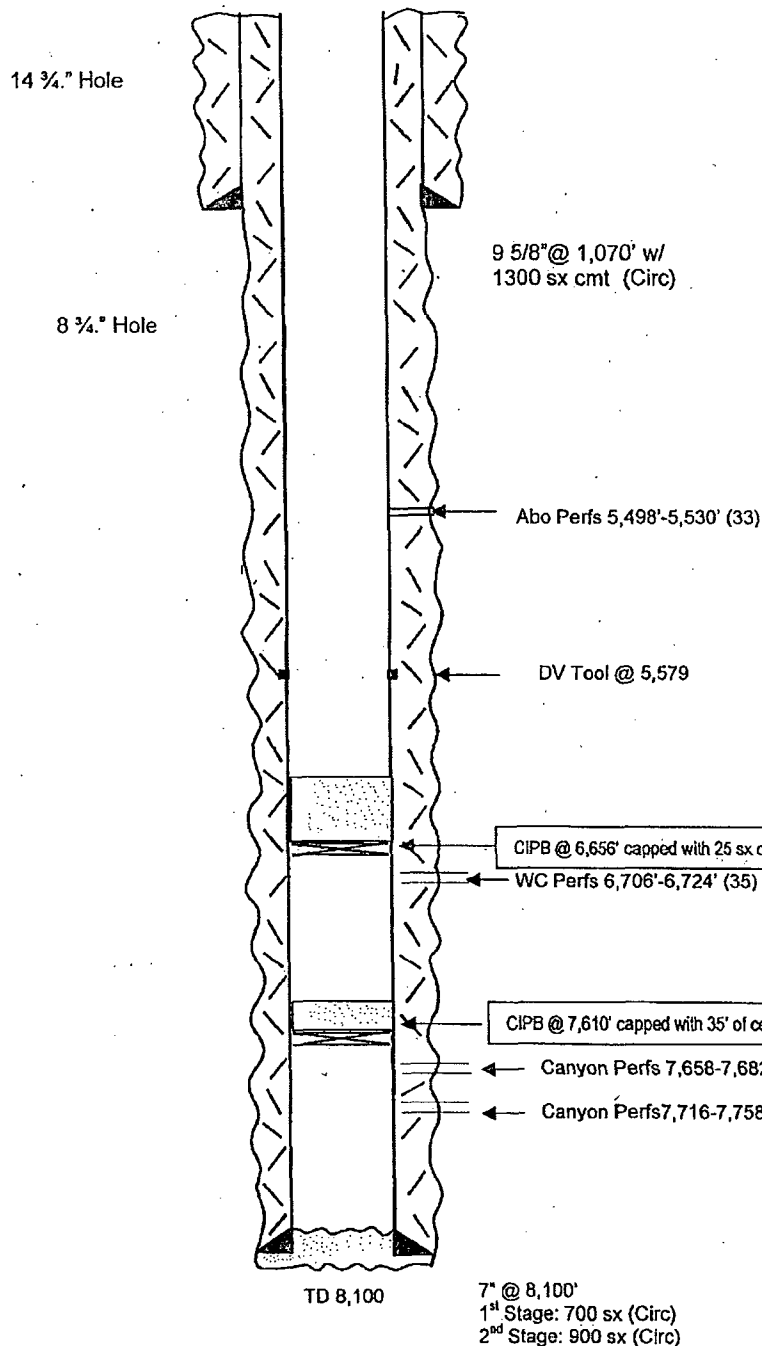
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After

Tops

SA	501'
Glorieta	2,051'
BS Lm	3,416'
WC Lm	5,612'
Canyon	7,508'

-150' TAG - 6506' or shallower

Not to Scale
10/20/14
Hill

Conditions of Approval
Yates Petroleum Corporation
Hillview AHE Federal Com 16
API 3001527125, T20S-R24E, Sec 14
January 22, 2015

NOTE: DV tool plug and top of Wolfcamp plug will be required from 5670' to 5550' to cover DV tool before leaving or plugging back the Abo perms from 5498 ft to 5530 ft.

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. The BLM is to be notified 24hrs in advance (**575-361-2822**) for a representative to witness plug.
6. **Step #2 operator to cap CIBP WITH 25 sacks and must tag at 6,506 feet or shallower. The tag shall be documented on a subsequent report sundry**
7. Functional H₂S monitoring equipment shall be on location.
8. 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.
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. Portojohns 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.

EGF 012215