

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 20105. Lease Serial No.
NMNM03677

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
RNM0908. Well Name and No.
STEBBINS GQ FEDERAL COM 19. API Well No.
30-015-21939-00-S110. Field and Pool, or Exploratory
E BURTON FLATS11. County or Parish, and State
EDDY COUNTY, NM**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

☐ 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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 20 T20S R29E NWNE 660FNL 1980FEL

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 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 recompleat this well as follows:

1. MIRU all safety equipment as needed. NU BOP. Release packer at 10,312 ft and attempt to get RBP at 10,800 ft and POOH, loading hole as necessary with KCL water.
2. Set a CIBP at 11,388 ft and cap it with 25 sx Class H cement, set a 2nd CIBP at 10,825 ft and cap it with 25 sx Class H cement, set a 3rd CIBP at 10,339 ft and cap it with 35 ft Class H cement. Test casing to 6000 psi for 30 min and chart it.
3. Peforate Wolfcamp 9918 ft - 10,168 ft (95).
4. Spot 2500g double inhibited 15% HCL across perms. Break down perforations while holding 1500 psi on the 2-7/8 inch x 5-1/2 inch annulus. Maximum allowable surface treating pressure is 8400 psi.
5. Pump a fracturing treatment (details attached) down the 5-1/2 inch casing.

SUBJECT TO LIKE
APPROVAL BY STATESEE ATTACHED FOR
CONDITIONS OF APPROVALED 1/20/2016
Accepted for record

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

Electronic Submission #287816 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by MARISSA KLEIN on 06/24/2015 (15MG0160SE)

Name (Printed/Typed) TINA HUERTA

Title REG REPORTING SUPERVISOR

Signature (Electronic Submission)

Date 01/13/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

JAN 11 2016

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

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.

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

Additional data for EC transaction #287816 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM72385	NMNM03677	STEBBINS GO FEDERAL COM 1	30-015-21939-00-S1	Sec 20 T20S R29E NWN 660FNL 1980FEL
NMNM72385	NMNM03677	STEBBINS GO FEDERAL COM 1	30-015-21939-00-S2	Sec 20 T20S R29E NWN 660FNL 1980FEL

32. Additional remarks, continued

6. Set a composite caged ball frac plug at 9870 ft and perforate additional Wolfcamp 9714 ft - 9776 ft (67).
7. Pump a fracturing treatment (details attached) down 5-1/2 inch casing.
8. Shut well in for 6 hrs to allow gel to break. Flow well back until it dies.
9. Drill out composite frac plug and make sure none of the perfs are covered with sand.
10. TIH with production equipment and turn well over to production.

Detailed frac and schematics attached

Revisions to Operator-Submitted EC Data for Sundry Notice #287816

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	PLUGBACK NOI	PLUGBACK NOI
Lease:	NMNM03677	NMNM03677
Agreement:		RNM090 (NMNM72385)
Operator:	YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET ARTESIA, NM 88210 Ph: 575-748-1471	YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET ARTESIA, NM 88210 Ph: 575.748.1471
Admin Contact:	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com Ph: 575-748-4168 Fx: 575-748-4585	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com Ph: 575-748-4168 Fx: 575-748-4585
Tech Contact:	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com Ph: 575-748-4168 Fx: 575-748-4585	TINA HUERTA REG REPORTING SUPERVISOR E-Mail: tinah@yatespetroleum.com Ph: 575-748-4168 Fx: 575-748-4585
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	WILDCAT; WOLFCAMP	E BURTON FLATS
Well/Facility:	STEBBINS GQ FEDERAL COM 1 Sec 20 T20S R29E NWNE 660FNL 1980FEL	STEBBINS GQ FEDERAL COM 1 Sec 20 T20S R29E NWNE 660FNL 1980FEL STEBBINS GQ FEDERAL COM 1 Sec 20 T20S R29E NWNE 660FNL 1980FEL

Stage Number	Stage Description	Fluid System	Rate BPM	Clean Volume gal	Slurry Volume gal	Prop Conc lb/gal	Prop Volume Stage	Prop Volume Cum	Prop Type	Stage Time
1.00	Breakdown	Slickwater	25	5,000	5,000		0	0		4.8
2.00	Ackl	15% HCl	10	5,000	5,000		0	0		11.9
3.00	SLF	Slickwater	75	14,000	14,000		0	0		4.4
4.00	SLF	Slickwater	75	6,000	6,068	0.25	1,500	1,500	100 Mesh	1.9
5.00	SLF	Slickwater	75	8,000	8,182	0.50	4,000	5,500	100 Mesh	2.6
6.00	SLF	Slickwater	75	8,000	8,274	0.75	6,000	11,500	100 Mesh	2.6
7.00	SLF	Slickwater	75	8,000	8,365	1.00	8,000	19,500	100 Mesh	2.7
8.00	SLF	Slickwater	75	8,000	8,456	1.25	10,000	29,500	100 Mesh	2.7
9.00	SLF	Slickwater	75	8,000	8,547	1.50	12,000	41,500	100 Mesh	2.7
10.00	Sweep	10# Linear Gel	75	10,000	10,000	0.00	0	41,500		3.2
11.00	SLF	10# Linear Gel	75	10,000	10,114	0.25	2,500	44,000	40/70 Ottawa	3.2
12.00	SLF	10# Linear Gel	75	30,000	30,684	0.50	15,000	59,000	40/70 Ottawa	9.7
13.00	SLF	10# Linear Gel	75	40,000	41,368	0.75	30,000	89,000	40/70 Ottawa	13.1
14.00	SLF	15# Linear Gel	75	40,000	41,824	1.00	40,000	129,000	40/70 Ottawa	13.3
15.00	SLF	15# Linear Gel	75	40,000	42,280	1.25	50,000	179,000	40/70 Ottawa	13.4
16.00	SLF	15# Linear Gel	75	30,000	32,052	1.50	45,000	224,000	40/70 Ottawa	10.2
17.00	SLF	15# Linear Gel	75	20,000	21,596	1.75	35,000	259,000	40/70 Ottawa	6.9
18.00	Flush	Slickwater	75	9,714	9,714		0	259,000		3.1

Estimated Surface Treating Pressure = 4,566 psig.

Maximum Surface Treating Pressure = 5,000 psig.

Fluid Specifications:

Slick Water – Fresh water with a KCL substitute, friction reducer, nonionic surfactant, 0.5 gal/M liquid biocide agent, scale inhibitor and active breaker and an encapsulated breaker.

Linear Gel – Fresh water with KCL substitute, Liquid gel concentrate, nonionic surfactant, .5 gal/M liquid biocide agent and a scale inhibitor. Use active breaker and an encapsulated breaker to design breakers for 50% retained viscosity for 3 hours with a complete break in 6 hours.

YPC will provide:

17 clean frac tanks with 480 bbls of fresh water for the treatment and flush or working tanks with a fresh water supply.

Stage Number	Stage Description	Fluid System	Rate BPM	Clean Volume gal	Slurry Volume gal	Prop Conc lb/gal	Prop Volume Stage	Prop Volume Cum	Prop Type	Stage Time
1.00	Breakdown	Slickwater	25	5,000	5,000		0	0		4.8
2.00	Acid	15% HCl	10	5,000	5,000		0	0		11.9
3.00	SLF	Slickwater	75	14,000	14,000		0	0		4.4
4.00	SLF	Slickwater	75	6,000	6,068	0.25	1,500	1,500	100 Mesh	1.9
5.00	SLF	Slickwater	75	10,000	10,228	0.50	5,000	6,500	100 Mesh	3.2
6.00	SLF	Slickwater	75	10,000	10,342	0.75	7,500	14,000	100 Mesh	3.3
7.00	SLF	Slickwater	75	10,000	10,456	1.00	10,000	24,000	100 Mesh	3.3
8.00	SLF	Slickwater	75	10,000	10,570	1.25	12,500	36,500	100 Mesh	3.4
9.00	SLF	Slickwater	75	9,000	9,616	1.50	13,500	50,000	100 Mesh	3.1
10.00	Sweep	10# Linear Gel	75	10,000	10,000	0.00	0	50,000		3.2
11.00	SLF	10# Linear Gel	75	10,000	10,114	0.25	2,500	52,500	40/70 Ottawa	3.2
12.00	SLF	10# Linear Gel	75	30,000	30,684	0.50	15,000	67,500	40/70 Ottawa	9.7
13.00	SLF	10# Linear Gel	75	40,000	41,368	0.75	30,000	97,500	40/70 Ottawa	13.1
14.00	SLF	15# Linear Gel	75	40,000	41,824	1.00	40,000	137,500	40/70 Ottawa	13.3
15.00	SLF	15# Linear Gel	75	40,000	42,280	1.25	50,000	187,500	40/70 Ottawa	13.4
16.00	SLF	15# Linear Gel	75	33,000	35,257	1.50	49,500	237,000	40/70 Ottawa	11.2
17.00	SLF	15# Linear Gel	75	30,000	32,394	1.75	52,500	289,500	40/70 Ottawa	10.3
18.00	Flush	Slickwater	75	9,918	9,918		0	289,500		3.1

Estimated Surface Treating Pressure = 4,907 psig.

Maximum Surface Treating Pressure = 6,000 psig.

Fluid Specifications:

Slick Water – Fresh water with a KCL substitute, friction reducer, nonionic surfactant, 0.5 gal/M liquid biocide agent, scale inhibitor and active breaker and an encapsulated breaker.

Linear Gel – Fresh water with KCL substitute, Liquid gel concentrate, nonionic surfactant, .5 gal/M liquid biocide agent and a scale inhibitor. Use active breaker and an encapsulated breaker to design breakers for 50% retained viscosity for 3 hours with a complete break in 6 hours.

YPC will provide:

17 clean frac tanks with 480 bbls of fresh water for the treatment and flush or working tanks with a fresh water supply.

WELL NAME: Stebbins GQ Com No.1

FIELD:

LOCATION: Unit B, 660' FNL & 1,980' FEL Sec 20-20S-29E

Eddy County NM

GL: 3261' ZERO: KB: 3279'

SPUD DATE: 10-28-76 COMPLETION DATE: 08-11-79

COMMENTS: API No. 30-015-21939

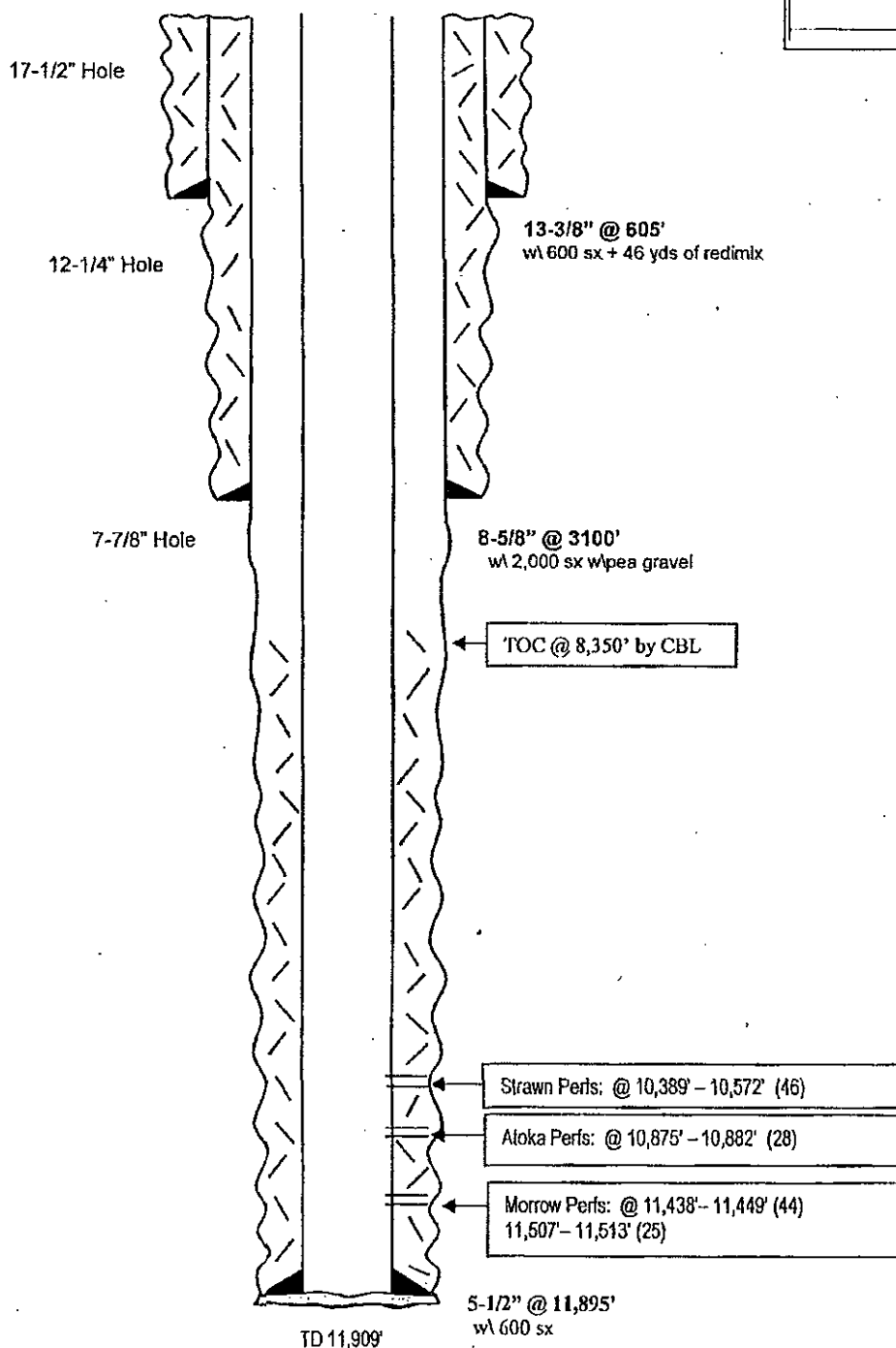
CASING PROGRAM

13-3/8" 48 # H 40 ST&C	605'
8-5/8" 32#	3100'
5-1/2" 17 & 20 # N80 LT&C	11,895'

Before

TOPS:

Delaware	3,141'
Bone Springs	5,871'
Wolfcamp	9,190'
Strawn	10,359'
Atoka	10,610'
Morrow	11,314'
L. Morrow	11,624'

**Not to Scale**12-18-14
JMH

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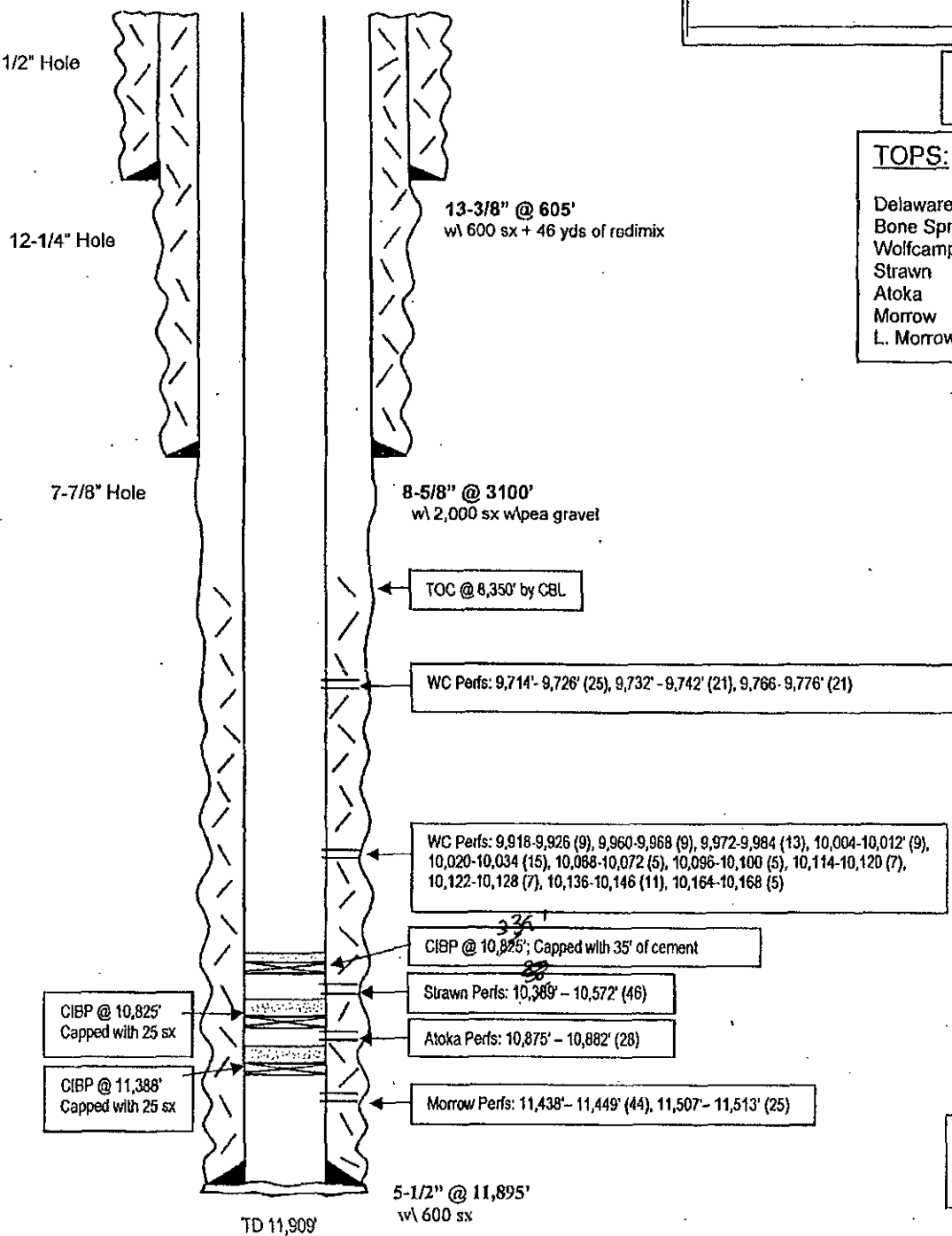
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Not to Scale

12-18-14
JMH

**Stebbins GQ Federal Com 1
30-015-21939
Yates Petroleum Corporation
January 11, 2016
Conditions of Approval**

Work to be completed by April 11, 2016.

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

- 1. Operator shall set CIBP at 11,388' (50'-100' above current perfs) with a minimum of 25 sx Class H cement on top. WOC and tag required.**
- 2. Operator shall set CIBP at 10,825' (50'-100' above current perfs) with a minimum of 25 sx Class H cement on top. WOC and tag required.**
- 3. Operator shall set CIBP at 10,339' (50'-100' above current perfs) with a minimum of 35' Class H cement on top. WOC and tag required.**

Note: If operator wishes to recomplete shallower at a later date, cement remediation must be done to ensure cement is behind pipe.

- 4. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 5. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 6. Surface disturbance beyond the originally approved pad must have prior approval.**
- 7. Closed loop system required.**
- 8. All waste (i.e. drilling fluids, 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. Operator to have H2S monitoring equipment on location.**

10. A minimum of a **3000 (3M)** BOP to 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.
11. **Subsequent sundry required detailing work done, new C-102, and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**
12. **See attached for general requirements.**

JAM 011116

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612
3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.
6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.