

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Carlsbad Field Office
OCD Artesia
SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM-69333
Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
YATES ENERGY CORPORATION

3a. Address
PO BOX 2323
ROSWELL, NM 88202-2323

3b. Phone No. (include area code)
(575) 623-4935

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
LONESOME DOVE FEDERAL #1

9. API Well No.
30-015-26072

10. Field and Pool or Exploratory Area
EAST HESS HILLS; UPPER PENN

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 1810' FWL OF SEC. 26, T-23-S, R-23-E

11. Country or Parish, State
EDDY, NM

12. CHECK THE 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 checked="" 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 checked="" type="checkbox"/> Other <u>REPLACE TUBING</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Work estimated to start 8/8/2016.

The following procedure is proposed to repair/replace tubing and acidize existing Cisco perfs:

1. Scan and test tubing. Replace tubing and test integrity of casing (possibly a squeeze job may need to be performed).
2. Establish injection rate into Cisco perfs and acidize 8,346 - 8,354' & 8,370 - 8,372' with 5,000 gals 15% NEFE 50 quality CO2 foamed acid.
3. Return well to sales.

DETAILS ATTACHED.

NM OIL CONSERVATION
ARTESIA DISTRICT

COA: Notify BLM Prior to cement squeeze job IF it is performed.

RECEIVED

TMAX

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

Name (Printed/Typed)
MICHAEL STEWART

Title CONSULTING ENGINEER

Signature

Date 08/04/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Teungku Muchlis Krueng

PETROLEUM ENGINEER

Title

Office

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.

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.

(Instructions on page 2)

APPROVED

SEP 22 2016

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Yates Energy Corp
Lonesome Dove Federal #1
Eddy County, TX
API No 30-015-26072

Rev Date 8/3/2016

Wellbore Information:

- 1810' FWL & 660' FSL. Section 26, T-23-S, R-23E. Eddy Co., NM
- Spud 05/01/1989
- 17 1/2" hole TD @ 367'
 - 13 3/8", 48 #/ft., H-40 Casing set @ 367'
 - Cemented w / 400 sx Premium Plus + ¼ pps + 2% CaCl₂.
 - TOC @ Surface.
- 12 1/4" hole TD @ 2,552' on 5/5/1989
 - 8 5/8", 32 #/ft., K-55 Casing set @ 2,552'
 - Cemented w /
 - Lead 900 sx HLW Class "C" + 8# Salt + ¼ pps Flocele
 - Tail 250 sx Premium Plus "C" + ¼ pps Flocele
 - TOC @ Surface. Circulated 240 sx.
- 7 7/8" hole TD @ 10,600' on 6/14/1989
 - 4 1/2", 11.6 #/ft., N-80 Casing set @ 10,592'
 - Cemented w / 1,200 sx Class "H" + 0.6% Halad-22A + 0.4% CFR-3 + 5% KCl
 - TOC @ 7,446' CBL.

I show the following perms to be open:

4/2/2004	8,346 – 8,354'	Cisco 3 SPF, 30 holes
	8,370 – 8,372'	

Below is the summary recap of the completed intervals and WO activities:

Original Completion

6/29/1989	10,137 - 10,150'	Morrow 4 SPF, 89 holes
	10,160 – 10,173'	Vann Gun System
	Flow well. No treatment work performed.	
	CAOF 4,493 MCFPD, 24/64 ck, FTP = 1,950 psi	

Subsequent WO's

9/22/1993	Set CIBP @ 10,120' and PB to Upper Morrow.	
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9/22/1993	10,041 – 10,050'	U Morrow 4 SPF, 84 holes
	10,058 – 10,064'	
	10,088 – 10,094'	
	Acidize with 10,041 – 10,094' w/ 4,000 gals 7.5% NEFE + 1,000 scf N ₂ . Flow well.	
	Ran 7 day BHB. Found CIBP @ 10,120' leaking. Set RBP @ 10,115'.	
	Ran 165 hr BHB. BHP = 3,330 psi w/ no fluid in WB.	
	IPf 263 MCFP, 24/64 ck, FTP = 365 – 420 psi	

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- 12/2/1993 24 hr SI BHP = 1,695 psi & building. SITP 650 to 840 psi. FL @ 9,968'
- 12/7/1993 Frac perfs 10,041 – 10,094' with 20,000 gals 60% quality CO2 pad with 15,400 gals 60% quality CO2 foam with 20,000# 20/40 Interprop 0.5 – 2.0 ppg, 12.3 BPM @ 4,586 psi, Pmax 5,230 psi. Attempt to retrieve RBP @ 10,115'. Unable to retrieve RBP. RWTP w/ EOT @ \pm 9,796' (no pkr).
- 3/2/1995 POOH w/ OE tbg. RBIH w/ Model R pkr & 221 jts 2-3/8" tbg. Set pkr @ 9,973' & RTP.
- 1/8/2003 24 hr SI BHP = 558 psi. FFL @ 5,490'. SIFL @ TD.
- 4/21/2003 WO operations to recover RBP, DH commingle all Morrow perfs
Unable to release pkr, back off above pkr. LD 58' jts of bad 2-3/8" tbg. Jar out pkr.
Attempt to fish RBP w/ no success. Pushed RBP & CIBP down below 10,317'. RIH w/
Lok-Set pkr + 1 jt tbg + on/off tool + 1 jt tbg + SN +316 jts 2-3/8" tbg. Set pkr @ 9,971'.
Swab well & RWTP – flowing. Bad tbg & mud in wellbore likely signs of HIC.
- 7/21/2003 WO operations to acidize Morrow perfs 10,041 – 10,173'
SITP = 300 psi, SI 4-1/2" CP = 0 psi, SI 8-5/8" x 4-1/2" CP = 260 psi
Blow down 8-5/8" x 4-1/2" csg. Pump 85 bbls down 8-5/8" x 4-1/2" & circ oil to surface
out 13-3/8" x 8-5/8". Trap 300 psi on annulus.
Acidize Morrow perfs 10,041 – 10,173' w/ 2300 gals 7 1/2% NEFE acid + 575 gals
Methanol + 110,000 scf N2 + 100 ball sealers. AIR 3.8 BPM, AIP 4,100 psi. STP 3,314 –
5,250 psi. ISIP 4,100 psi, 5" SIP 3,050 psi, 10" SIP 2,500 psi, 15" SIP 2280 psi. Swab well
7/23 – 7/30. RWTP – flowing. 8/2003 TP = 100 psi w/ 0 MCFPD
- 11/10/2003 Swabbed well 11/10 – 11/13. Could not get well to KO & flow.
Prepared P&A procedure. Requested P&A bids and submitted Notice of Intent to P&A
w/ BLM due to no flow rate from Morrow and HIC.
- 3/22/2004 WO operations to repair HIC and PB to test Cisco Canyon
POOH w/ tbg & pkr. Set CIBP @ 10,000' with 50' cement cap.
Ran Casing inspection log. Moderate to extreme casing wall loss 3,720 – 4,850'. RIH w/
pkr & circ 4-1/2" csg out 8-5/8" csg. Test csg below 4,887' to 1,050 psi, ok. Found top
big hole @ 3,725'. Small hole between 3,662 – 3,725'. Set CICR @ 3,530'. Mix & pump
675 sx (159 bbls) cement. Had good circ out 8-5/8". After 40 sx pinch 8-5/8" valve to
sqz cement to 500 psi. ISIP on 8-5/8" 400 psi. 20" SI 8-5/8" pressure = 60 psi.
Drillout cement from CICR to 4,866'. Test casing during drillout to 1,000 psi w/ 150 psi
leak off after 10 mins. Final csg test to 1,640 psi, dropped to 940 psi in 1", 900 psi in
10", 880 psi in 15"
Note 4-1/2" volume from 3,530' (CICR) to 4,866' (fall out of cement) = 1,336' = 20.8
bbls. Therefore 138.2 bbls of cement went into OH x 4-1/2" annulus. Caliper log shows
OH dia @ \pm 8.5" across this interval. Calculates Est TOC @ 2,036'.

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4/2/2004 8,346 – 8,354' Cisco 3 SPF, 30 holes
8,370 – 8,372'
Spot 250 gals 15% NEFE.R3D9 pkr set @ 8,257' w/ 264 jts 2-3/8" tbg. Displace spot acid w/12.4 bbls. Pmax 1,500 psi, Qmax 1 BPM, ISIP 1,330 psi, 5" SIP 897 psi, 10" SIP 751 psi, 15" SIP 655 psi. Swab & well KO flowing.

4/8/2004 Acidize Cisco perfs 8,346 – 8,372' w/ 3,000 gals 15% HCl + 45 ball sealers. AIR 2.7 BPM, AIP 4,700 psi, FSTP 4,785 psi. ISIP 3,870 psi, 5" SIP 3,378 psi, 10" SIP 3,036 psi, 15" SIP 2,770 psi. Well KO flowing. Discovered HIT. POOH & LD R3DG pkr. RIH w/ Baker Loc-Set Size 43 4-1/2" x 2-3/8" pkr + 3-3/4" x 2-3/8" x 1.50" L-10 on/off toll w/ 1.50 "F" SS Profile + SN + 264 jts 2-3/8" tbg. Pkr @ 8,262.63' KB, IPf 600 MCFPD, 11 BOPD, 5 BWPD on 24/64 ck, 600 psi FTP. SITP 2,400 psi.

7/22/2004 SITP 2,245 psi, SIBHP 2,962 psi. No fluid in WB

1/25/2016 Enterprise SI sales meter due to high H2S content of Bandana Pt. PL wells. Surveyed individual wells & found H2S content on Lonesome Dove Fed #1 @ 5 ppm. Suspect HIT & HIC.

Morrow DOFS 12/23/89
DOLP 12/2003
Cumulative Production thru 12/2003
4,243 BO
1,138,887 MCF

Cisco DOFS 4/16/04
SI 1/25/16
Cumulative Production thru 10/2015
11,888 BO
970,700 MCF

Proposed Procedure to Repair / Replace Tbg & Acidize existing Cisco Perfs

1. RU slickline (*ProWireline*)
 - a. RIH w/ bars & jars and check PBTD & Fill
 - b. If acceptable set blanking plug in Baker 1.50" F SS Profile
Baker Loc-Set Size 43 4-1/2" x 2-3/8" pkr + 3-3/4" x 2-3/8" x 1.50" L-10 on/off tool w/
1.50 "F" SS Profile + SN + 264 jts 2-3/8" tbg. Pkr @ 8,262.63' KB,
 - c. RD slickline
2. MIRU WSU (*Basic*)
3. MI & set FB tank w/ gas buster (*Basic*)
 - a. Lay steel lines to FB tank from WH and blow down tbg and casing-tbg annulus to FB tank. Current SITP = 1,950 psi
4. MIRU Reverse Unit (*Basic*)
5. Load casing-tbg annulus w/ 4% KCL wtr (*Basic*) and tbg to surface.
6. ND WH flowing tree.
 - a. Send WH flowing tree in to be serviced (*George R Young*). May be able to utilize surplus WH tree from prior P&A'd N. Hess wells that are on LD #1 location.
7. NU BOP (*Basic*)
8. PU on tbg and attempt to release L-10 on/off tool.
 - a. If on/off tool will not release RU E-Line and chemical cut tbg above on off tool leaving sufficient stub to fish w/ workstring as current condition of tbg is unknown and may not withstand excessive pull / torsional forces.
9. RU WH tbg scanner (*Stealth*)
10. POOH w/ tbg scanning.
 - a. LD all RB & GB tbg
 - b. Order required amount of 2-3/8", 4.7 ppf, L-80 replacement tbg (*Atlas – Steve Parnell 432-559-4536*)
11. PU 3-7/8" bit & 4-1/2" casing scrapper (*Basic*) & RIH on scanned and replacement 2-3/8" tbg.
12. Circulate WB clean w/ 4% KCL water
13. POOH w/ scrapper & bit.
14. PU 4-1/2 RBP & pkr (*Lea Co Packers*) & RIH on 2-3/8" tbg hydro testing tbg
15. Set RBP above Loc-Set pkr and test RBP.
16. PUH w/ pkr and test integrity of 4-1/2" casing. Will make determination based on casing integrity test if a CBL / Casing Inspection log will need to be run or possible a casing sqz job will need to be performed.
17. POOH w/ pkr & RBP
18. PU redressed on/off tool & RIH on 2-3/8" tbg.
 - a. Space out & latch on/off tool.
 - b. NU refurbished WH flowing tree
19. MIRU slickline & retrieve blanking plug set in profile nipple.
20. Establish injection rate into existing Cisco perfs 8,346 – 8,354' & 8,370 – 8,372' (3 SPF, 30 holes) w/ rev unit pump & 4% KCL wtr
21. MIRU acidizing equipment (*Propetro Services*)

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22. Acidize Cisco perfs 8,346 – 8,354' & 8,370 – 8,372' w/ 5,000 gals 15% NEFE 50 quality CO2 foamed acid.
 - a. Record ISIP, 5" SIP, 10" SIP & 15" SIP
 - b. Allow acid to set min 2 hrs on formation
 - c. RD acidizing equipment
23. RU well to flowback acid load to FB tank.
24. FB well as required.
 - a. May have to flow well back thru Stack-Pac due to flow rates to keep WH choke from freezing off
25. RD WSU, Reverse Unit and release all rental equipment.
26. Return well to sales.