

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	JUN 28 2007	5. Lease Serial No. NM-44532
2. Name of Operator Yates Petroleum Corporation 25575	OCD-ARTESIA	6. If Indian, Allottee or Tribe Name Not Applicable
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (505) 748-1471	7. If Unit or CA/Agreement, Name and/o Not Applicable
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FNL and 330' FWL, Unit D Surface Location 330' FNL and 950' FEL, Unit A Bottom Hole Location Section 15, T26S-R29E		8. Well Name and No Sosa Federal #3H 12760
		9. API Well No 30-015-35000
		10. Field and Pool, or Exploratory Area Undes. Brushy Draw Delaware 8080
		11. County or Parish, State Eddy County, New Mexico

## 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 checked="" 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>Extend</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>APD</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 wishes to extend the captioned well's APD expiration date for two (2) years to July 6, 2009. (C-144 attached)

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Delaware formation to meet the OCD's minimum requirements for the submission of a contingency plan per rule 118.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****APPROVED FOR 24 MONTH PERIOD  
ENDING 7-6-09**

Thank you.

14. I hereby certify that the foregoing is true and correct		
Name (Printed/Typed) Cy Cowan / cy@ypcnm.com	Title Regulatory Agent / Land Department	
Signature 	Date June 4, 2007	
THIS SPACE FOR FEDERAL OR STATE USE		
Approved by <b>/s/ James Stovall</b>	Title <b>FIELD MANAGER</b>	Date <b>JUN 26 2007</b>
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 <b>CARLSBAD FIELD OFFICE</b>		

Title 18 U.S.C. Section 1001, 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 reverse)

Previously Approved

C-144 Attached

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number	2 Pool Code	3 Pool Name
		Undes. Brushy Draw Delaware
4 Property Code	5 Property Name	6 Well Number
	SOSA FEDERAL	3H
7 OGRID No. 025575	8 Operator Name YATES PETROLEUM CORPORATION	9 Elevation 2932

**10 Surface Location**

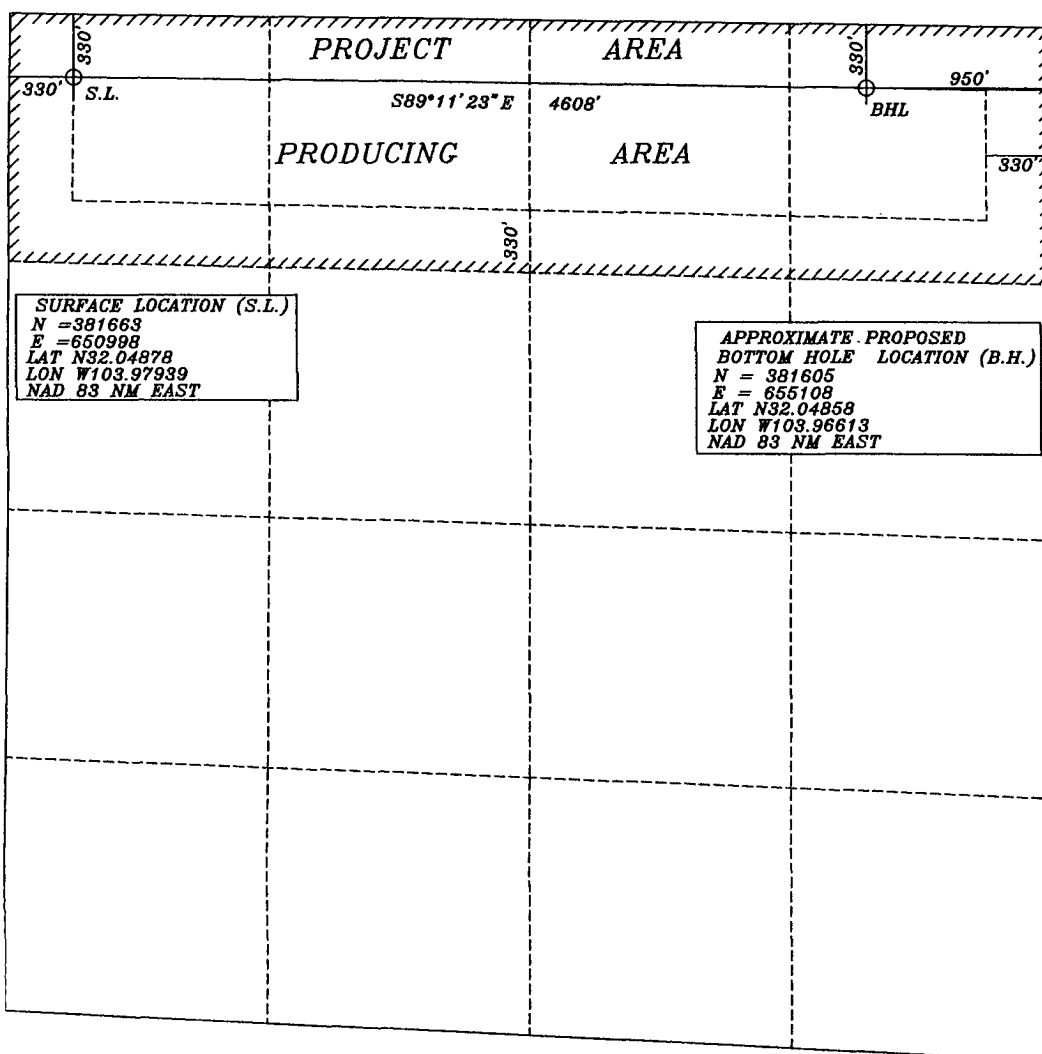
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26-S	29-E		330	NORTH	330	WEST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
A	15	26-S	29-E		330	NORTH	950	EAST	EDDY

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**17 OPERATORS CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cy Cowan* 6/4/07  
Signature Date  
Cy Cowan, Regulatory  
Printed Name Agent

**18 SURVEYOR CERTIFICATION  
SURFACE LOCATION ONLY**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
Signature and Seal of Professional Surveyor:

JUNE 12, 2006  
Date of Survey

**DAN R. REDDY**  
NEW MEXICO  
5412  
REGISTERED LAND SURVEYOR

Certificate Number  
DAN R. REDDY NM PE&PS #5412

District I  
1635 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: (505) 748-4372 e-mail address: debbies@yatesnm.com  
Address: 105 South 4<sup>th</sup> Street, Artesia, NM 88210  
Facility or well name: Sosa Federal #3 API #: 30-015-33415 U/L or Qm/Qr D Sec 15 T 26S R 29E  
County: Eddy Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling ☒ Production ☐ Disposal ☐  
Workover ☐ Emergency ☐  
Lined ☒ Unlined ☐  
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume \_\_\_\_\_ bbl

Below-grade tank  
Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_  
Construction material: \_\_\_\_\_  
Double-walled, with leak detection? Yes ☐ If not, explain why not: \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	<input checked="" type="checkbox"/> (10 points)
	100 feet or more	( 0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No	<input checked="" type="checkbox"/> ( 0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	<input checked="" type="checkbox"/> ( 0 points)
Ranking Score (Total Points)		Points <input checked="" type="checkbox"/> (0 points)

RECEIVED

APR 26 2005

ODD:ART/2005

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCB-approved plan ☐.

Date: March 22, 2005

Printed Name/Title: Oy Correa/Regulatory Agent

Signature: [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved: APR 27 2005

Date: \_\_\_\_\_

Printed Name/Title: [Signature]

Signature: [Signature]

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Yates Petroleum Corporation  
Well Name & No. 3H-Sosa Federal  
Location (SHL): 0330' FNL, 0330' FWL, Sec. 15, T-26-S, R-29-E, Eddy County, NM  
Location (BHL): 0330' FNL, 0950' FEL, Sec. 15, T-26-S, R-29-E, Eddy County, NM  
Lease: NM-44532

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### **I. DRILLING OPERATIONS REQUIREMENTS:**

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Although Hydrogen Sulfide has not been reported in this section, it has been reported in Sections 26 and 27 measuring 15-55 ppm in gas streams and 7-22 ppm in STVs from the Brushy Draw. If Hydrogen Sulfide is detected, please forward the reports to BLM.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

### **II. CASING:**

- A. The 8-5/8 inch surface casing shall be set **a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 425** feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of **18 hours for a water basin** or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Redbeds, Delaware, Castile, and Bone Spring formations.  
Possible abnormal pressures in the Wolfcamp and Penn formations.  
High potential for cave/karst features.

- B. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall circulate to surface**.
- C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Section 17.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) PSI**.
- C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - 1. The tests shall be done by an independent service company.
  - 2. The results of the test shall be reported to the appropriate BLM office.
  - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

### **IV. Testing**

**If a drill stem test is performed, the conditions in Onshore Order 2.III.D are in effect.**

**Engineer on call phone (after hours): 505-706-2779**

**WWI 062207**