

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WF  
FORM 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.**

5. Lease Serial No.  
NM-106647  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA/Agreement, Name and/o  
8. Well Name and No.  
Madcap BET Federal #1H  
9. API Well No.  
30-015-36141  
10. Field and Pool, or Exploratory Area  
Wolfcamp, NE  
11. County or Parish, State  
Eddy County, New Mexico

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other  
2. Name of Operator  
Yates Petroleum Corporation 25575  
3a. Address  
105 South Fourth Street, Artesia, NM 88210  
3b. Phone No. (include area code)  
(575) 748-1471  
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1680' FNL and 510' FEL Pilot Hole, Section 13, T17S-R24E  
1980' FNL and 660' FWL Bottom Hole  
Cellin Ranch

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 Extend
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back

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 for two (2) years to February 16, 2010. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Wolfcamp formation to meet the OCD's requirements for the submission of a contingency plan per Rule 118.

Thank you.

FEB 25 2008  
OCD-ARTESIA

APPROVED FOR 24 MONTH PERIOD  
ENDING 2-16-10

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

Name (Printed Type) Cy Cowan Title Regulatory Agent/Land Department Email cy@ypcnm.com  
Signature [Signature] Date January 18, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by [Signature] FIELD MANAGER Title [Signature] Date 2/13/08  
Office CARLSBAD FIELD OFFICE

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.



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 96623	3 Pool Name Collins Ranch, Wolfcamp, NE
4 Property Code 37028	5 Property Name MADCAP BET FEDERAL	6 Well Number 1H
7 OGRD No. 025575	8 Operator Name YATES PETROLEUM CORPORATION	9 Elevation 3659

10 Surface Location

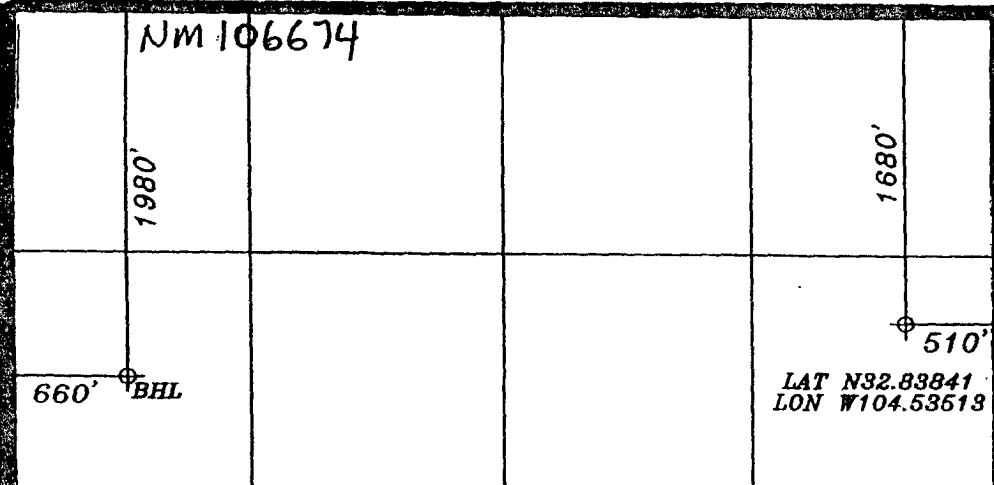

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	17-S	24-E		1680	NORTH	510	EAST	EDDY

11 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
E	13	17-S	24-E		1980	NORTH	660	WEST	EDDY

12 Dedicated Acres 320	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.

NM 106674				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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well of 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 state.	
				Signature: Cy Cowan Date: 8/30/06	
				Printed Name: Cy Cowan Regulatory Agent	
				18 SURVEYOR CERTIFICATION	
				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.	
				Date of Survey: AUGUST 31, 2006	
				Signature and Seal of Professional Surveyor:	
					

## PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corporation
LEASE NO.:	NM106647
WELL NAME & NO.:	Mad cap BET Federal 1H
SURFACE HOLE FOOTAGE:	1680' FNL & 510' FEL
BOTTOM HOLE FOOTAGE:	1980' FNL & 660' FWL
LOCATION:	Section 13, T17S., R24E., NMPM
COUNTY:	Eddy County, New Mexico

### I. DRILLING

#### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

1. **Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values to the BLM.**
2. 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.
3. Floor controls are required for 3M or Greater systems. These 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.

## B. CASING

1. The **13-3/8 inch** surface casing shall be set at **approximately 350 feet** and cemented to the surface.

### **Possible lost circulation in Grayburg and San Andres formations.**

- a. 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.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
  - c. **Please provide WOC times to inspector for cement slurries.**
  - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - e. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8 inch** intermediate casing is:
    - ☒ Cement to surface. If cement does not circulate see B.1.a-e above.
  3. **If this casing is run:** the minimum required fill of cement behind the **7 inch** casing is:
    - ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
  4. The minimum required fill of cement behind the **5-1/2 inch** production casing is:
    - ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Operator estimating TOC at 1000 feet**
  5. 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 joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

1. 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 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 inch and 7 inch intermediate casings shall be 3000 (3M) psi.
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. 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.
  - d. 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.
  - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
  - f. A variance to test the 2M system BOP/BOPE and 13-3/8 inch surface casing to the reduced pressure of 1000 psi with the rig pumps is approved.

### D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

### E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

**Engineer on call phone (after hours only): Carlsbad: (575) 706-2779**

JDW/2/8/08

*MB 2/11/08*