

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

APR 16 2008

2. Name of Operator
Yates Petroleum Corporation 25575

OCD-ARTESIA

3a. Address
105 South Fourth Street, Artesia, NM 882103b. Phone No. (include area code)
(575) 748-14714. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Lot 9 4772' FSL and 806' FEL Surface Location, Section 3, T21S-R24E
Lot 9 4620' FSL and 806' FEL Bottom Hole Location

5. Lease Serial No

NM-107360

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No.

Bamboozled BBX Federal Com #1

9. API Well No.

30-015-35596

10. Field and Pool, or Exploratory Area

Cemetery Morrow

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 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 checked="" type="checkbox"/> Other Extend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD
	<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 recomple 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 wishes to extend the captioned well's APD for two (2) years to May 2, 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 Morrow formation to meet the OCD's requirements for the submission of a contingency plan per Rule 118.

Thank you.
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED FOR 24 MONTH PERIOD
ENDING 5-2-10

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

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent/Land Department

Email

cy@ypcnm.com

Signature

Date

April 2, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Don Peterson

FIELD MANAGER

Date

APR 16 2008

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 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.

(Instructions on reverse)

C-102 attached C-144 attached

DISTRICT I

1825 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 and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 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

API Number 30-015-35596	Pool Code	Pool Name Wildcat Morrow
Property Code 025575	Property Name Bamboozled BBX Federal Com.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3825'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 9	3	21S	24E		4772'	South	806'	East	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
Lot 9	3	21S	24E		4620'	South	806'	East	Eddy

Dedicated Acres Middle 1/3 320	Joint or Infill	Consolidation Code	Order No.
--------------------------------------	-----------------	--------------------	-----------

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

Lot 12	Lot 11	Lot 10	Lot 9
Lot 13	Lot 14	Lot 15	Lot 16

SL 806'
BHL 806'

4772' SH
4620' BHL

OPERATOR 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 8/3/07
Signature Date

Cy Cowan, Regulatory
Printed Name Agent

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.

REFER TO ORIGINAL PLAT.

Date Surveyed
Signature of Registered Professional Surveyor

[Signature]
Certificate No. 3640
GENERAL SURVEYING

District I
1625 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: debbiec@ypcnm.com

Address: 105 South 4th Street, Artesia, NM 88210

Facility or well name: Bamboozled BBX Federal #1 API #: _____ U/L or Qtr/Qtr Lot 9 Sec 3 T 21S R 24E

County: Eddy Latitude N32°30'53.7" Longitude W104°28'51.5" 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: _____

RECEIVED

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	OCT 19 2004 OCD-ARTESIA
	50 feet or more, but less than 100 feet	(10 points)	
	<u>100 feet or more</u>	<u>0 points</u>	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	<u>Yes</u>	<u>20 points</u>	
	No	(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)	
	<u>200 feet or more, but less than 1000 feet</u>	<u>10 points</u>	
	1000 feet or more	(0 points)	
Ranking Score (Total Points)		Points <u>30 Points</u>	

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 OCD-approved plan ☐.

Date: October 18, 2004

Printed Name/Title Cy Cowan/Regulatory Agent Signature Debbie S. Caffell for Cy Cowan

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.

Approval: OCT 21 2004

Date: _____

Printed Name/Title Wild Ap ID Signature [Signature]

**As a condition of approval
a detailed closure plan
must be filed before**

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corporation
LEASE NO.:	NM107360
WELL NAME & NO.:	Bamboozled BBX Federal #1
SURFACE HOLE FOOTAGE:	4772' FSL & 806' FEL LOT #9
BOTTOM HOLE FOOTAGE:	4620' FSL & 806' FEL LOT #9
LOCATION:	Section 3, T21S., 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 Hydrogen Sulfide has not been reported in this section, it is always a possible hazard. It has been reported in Sections 27 & 29 of T21S, R24E measuring 8000 ppm in the gas stream and 100 ppm in the STV. If Hydrogen Sulfide is encountered, please report measured amounts and formations 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

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

High cave/karst.

Possible lost circulation in the San Andres and Wolfcamp Formations

Possible high pressure gas within the Wolfcamp, Strawn, Atoka, and Morrow Formations.

1. The **13-3/8 inch** surface casing shall be set at **400 feet** and cemented to the surface.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing.

- 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 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. 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.
 - d. If cement falls back, remedial cementing 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-d above.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing.

Note: The 9-5/8 inch casing shall be set at 3550 feet or above the top of the Bone Spring Formation which ever comes first.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

3. 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.

4. 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"** intermediate casing shoe shall be **5000 (5M)** 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.

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.

JDW 4/11/08

JDW 4/11/08

EXHIBIT NO. _____

**CULTURAL RESOURCES STIPULATIONS
CARLSBAD FIELD OFFICE**

PROJECT NAME: Yates Petroleum Corporation Bamboozled BBX #1 and Access Road Upgrade

REPORT NUMBER: 03-NM-080-391

SITE PROTECTION AND EMPLOYEE EDUCATION: All employees of the project shall be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They shall also be notified that it is illegal to collect, damage or disturb cultural resources.

YES A. Monitoring is required.

YES 1. A copy of these stipulations shall be supplied to the archaeological monitor at least two (2) working days prior to the start of construction activities.

YES 2. No construction activities, including vegetation removal, may begin before the arrival of the archaeological monitor.

YES 3. The archaeological monitor will:

YES a. Ensure that the site protection barrier is located as indicated on the attached map.

YES b. Observe all surface disturbing activities during any (if needed) existing fence relocation activities on the west side of the proposed well location in order to ensure protection and avoidance of cultural site LA 138764.

NO c. Other: _____

YES d. Submit a report of the monitoring activities within thirty (30) days of completion of monitoring unless other arrangements are made with the BLM. These stipulations must be attached to the report.

NO B. The grantee must select one of the following alternatives:

- _____ 1. Controlled test excavations to determine if cultural resources are present;
- _____ 2. Reduction of the project size to avoid all significant cultural materials;
- _____ 3. Relocation of the project;
- _____ 4. Preparation and implementation of a data recovery plan for cultural sites(s)

YES C. SITE BARRIER/FENCING:

NO 1. A temporary site protection barrier(s) shall be erected prior to construction. The barrier(s) shall, at a minimum, consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon flagging or blue paint. There shall be no construction activities or vehicular traffic past the barrier(s). The barrier(s) shall remain in place through reclamation and reseeding.

YES 2. A permanent fence shall be erected *under the direction of the monitoring archaeologist* prior to any and all construction. There shall be no construction activities or vehicle traffic west of the fence.

YES 3. The fence shall be placed as indicated on the attached map.

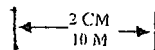
NO D. CONSTRUCTION ZONES: There shall be a no construction zone

YES E. OTHER: Per conversation with Cy Cowan of Yates on April 15, 2003, a substantial barrier shall be placed around the USGS Bench Marker located on the north side of the proposed well location.

LA 138764
T 21S, R 24E, Sec. 3

BAS 02-03-17A

KEY



- - - - - BARB WIRE FENCE
- - - - - ORIGINAL 400' x 400' BOUNDARY (2876' FNL, 957' FEL)
- - - - - CURRENT 400' x 400' (4772' FSL, 806' FEL)
- ~~~~~ CONTOUR LINES 2 ft.

*** Permanent Fence

