

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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.

5. Lease Serial No

NM-83068

6 If Indian, Allottee or Tribe Name

NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

Yates Petroleum Corporation

3a Address

105 S. 4th Str., Artesia, NM 88210

3b Phone No (include area code)

575-748-1471

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

1980'FNL & 910'FWL of Section 27-T20S-R29E (Unit E, SWNW)

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

NA

8. Well Name and No

Zinnia BKC Federal #1

9 API Well No.

30-015-27939

10 Field and Pool or Exploratory Area

Wildcat; Bone Spring

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 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Squeeze</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Delaware</u>
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Perforations</u>

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 recompleate 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 recompleation 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.

Yates Petroleum Corporation plans to plugback, squeeze perforations and recompleate this well as follows: MIRU any safety equipment as needed. NU BOP. POOH with production equipment including RBP at 9770'. Run a GR/JB to 10,915'. WL set a CIBP at 10,915' with 35' cement on top. Set a 2nd CIBP at 9852' with 35' cement on top. This will place plugs over Strawn and Wolfcamp perforations. Set a cement retainer at 3850'. Squeeze Delaware perforations with 50 sx Class "C" cement. If a positive squeeze pressure cannot be obtained over flush and re-squeeze. WOC and drill out the retainer and cement test squeeze, if necessary re-squeeze. Perforate Bone Spring 8084'-8088' (5), 8098'-8102' (5) and 8350'-8354' (5). Stimulate as needed. Swab well until it cleans up then TIH with pump and rods. Turn well to production.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record - NMOCD

D.D. 9-14-11

RECEIVED

SEP 12 2011

NMOCD ARTESIA

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Date June 6, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

Date SEP 6 2011

/s/ Chris Walls

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.

WELL NAME: Zinnia Federal Unit #1

FIELD: E. Burton Flat

LOCATION: 1.09-' FNL & 910' FWL Sec 27-20S-29E

Eddy County, NM

GL: 3,273'

ZERO:

KB:

CASING PROGRAM

SPUD DATE: 12/17/94 COMPLETION DATE: 3/9/95

COMMENTS: API No.: 30-015-27939

20" 94# J-55	535'
13-3/8" 94# J-55	1,435'
9-5/8" 40# J-55	3,200'
5-1/2" 20# N-80	4,917'
5-1/2" 17# L-80	771'
5-1/2" 17# N-80	3,375'
5-1/2" 20# N-80	2,331'
5-1/2" 20 S-95	1,181'
	12,550'

20" @ 535' w/950 sx (Circ)

13-3/8" @ 1,435' w/975 sx
(Circ)**After**9-5/8" @ 3,200' w/
1st Stage: 700 sx
2nd Stage: 270 sx (Circ)

Delaware Perfs: 3,900-3,905' (Sqz)

Delaware Perfs: 3,900-3,932'
(Sqz'd)

DV tool @ 6,036'

BS Perfs: 8,084-88' (5); 8,098-8,102'(5);
8,350-54' (5)

CIBP @ 9,852 w/35' cmt

WC Perfs: 9,902-10,216;
10,188-10,216' (58)

CIBP @ 10,915' w/35' cmt

Strawn Perfs: 10,965-10,988'

Morrow Perfs: 12,294-12,309'
(32)

7-7/8" Hole

CIBP @ 12,250'
w/35' cmt plugPBSD 12,250'
TD 12,550'5-1/2" @ 12,550' w/
1st Stage: 2000 sx (Circ)
2nd Stage: 1550 (Circ)

TOPS

Rustler	606'
Yates	1,392'
DW	3,266'
BS	6,156'
WC	9,870'
Strawn	10,935'
Atoka	11,260'
Morrow Cl	11,942'
L. Morrow	12,254'
Austin	12,420'

Not to Scale
5/26/11
DC/Hill

Zinnia BKC Federal 1
30-015-27939
Yates Petroleum Corp.
September 6, 2011
Conditions of Approval

1. **Contact BLM 575-361-2822 a minimum of 24 hours prior to performing operations.**
2. **A 220' plug (minimum 25sx class H) must be set across the top of the Morrow (top at 11,942') from 11,772-11,992'.**
3. **CIBP above Strawn perfs is ok.**
4. **Set 5-1/2" CIBP immediately above Wolfcamp perfs. at approximately 9892' and spot a 200' plug (minimum 25sx of class H) cement on top to cover the top of the Wolfcamp. WOC and Tag at 9692' or shallower, since CIBP will be set so close to perforations. (Top of Wolfcamp-9870')**
5. Surface disturbance beyond the originally approved pad must have prior approval.
6. Closed loop system required.
7. 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 (2M Diagrams of Choke Manifold Equipment).
8. Completion report and subsequent sundry required.

CRW 090611