

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

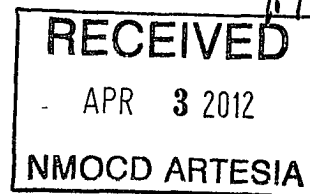
1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM78214
2 Name of Operator YATES PETROLEUM CORPORATION Contact TINA HUERTA E-Mail: tinah@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	7. If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T22S R24E NWNE 810FNL 1930FEL		8 Well Name and No. ANEMONE ANE FEDERAL 3
		9 API Well No. 30-015-28126
		10 Field and Pool, or Exploratory WILDCAT; GLORIETAYESO
		11 County or Parish, and State EDDY COUNTY, NM

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 type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 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 shall 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 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 plans to plugback and recompleate this well as follows: MIRU all safety equipment as needed. NU BOP. RIH with GR/JB and set a CIBP at 8002' and dump bail 35' cement on top. This will leave a plug over open Canyon perforations. Load hole with plugging mud and spot a 35 sx Class "H" cement plug from 7340'-7510'. This will leave a plug across Wolfcamp top. Load hole with plugging mud and spot a 30' Class "C" cement plug from 5260'-5430'. Load hole with plugging mud and spot a 30' Class "C" cement plug from 3179'-3349'. This will leave a plug across Bone Spring top. Pressure test casing to 3000 psi. Perforate 2900'-2930'(31). Acidized with a 3000g acid job with 20% gelled HCL, dropped 150 ball sealers spaced out evenly through out the acid. Over flush by 250 bbls with 2% KCL water. Plan to frac well. Flow well back and allow to clean up. TIH with pumping equipment and turn well over to production. Detailed frac information and wellbore schematics attached.

Accepted for record
NMOCDCes 4/6/2012**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct. Electronic Submission #132201 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 03/05/2012
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
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	Date
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	

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Eng = 5
 AFE # = 12-023-0

8. TIH with packer and tubing. Set the packer at 2,650'. MI RU WSC to pump a 3,000 gallon acid job with 20% gelled HCl, drop 150 ball sealers spaced out evenly through out the acid. Over flush by 250 bbls with 2% KCl water.

9. POOH with tubing and tools, MI RU pumping company to pump a fracture treatment at 70 BPM down the 7" casing limiting the surface treating pressure to 3,500 psig. Set a pop off valve at 3,500 psi.

----- Treating Schedule -----

Stg. Number	Fluid Type	Stg. Type	Rate (BPM)	Clean (Gal)	Prop Conc.	Prop Type	Prop Stage	Prop Cum.
1	Slick Water	Prepad	70	2,100	0	--	0	0
2	Slick Water	Pad	70	40,000	0	--	0	0
3	Slick Water	Slurry	70	4,200	0.2	100 Mesh	840	840
4	Slick Water	Sweep	70	4,400	0	--	0	840
5	Slick Water	Slurry	70	4,200	0.3	100 Mesh	1,260	2,100
6	Slick Water	Sweep	70	4,400	0	--	0	2,100
7	Slick Water	Slurry	70	4,200	0.4	100 Mesh	1,680	3,780
8	Slick Water	Sweep	70	4,400	0	--	0	3,780
9	Slick Water	Slurry	70	4,200	0.5	100 Mesh	2,100	5,880
10	Slick Water	Sweep	70	4,400	0	--	0	5,880
11	Slick Water	Slurry	70	4,200	0.6	100 Mesh	2,520	8,400
12	Slick Water	Sweep	70	4,400	0	--	0	8,400
13	Slick Water	Slurry	70	4,200	0.7	100 Mesh	2,940	11,340
14	Slick Water	Sweep	70	4,400	0	--	0	11,340
15	Slick Water	Slurry	70	4,200	0.8	100 Mesh	3,360	14,700
16	Slick Water	Sweep	70	4,400	0	--	0	14,700
17	Slick Water	Slurry	70	4,200	0.9	100 Mesh	3,780	18,480
18	Slick Water	Sweep	70	4,400	0	--	0	18,480
19	Slick Water	Slurry	70	4,200	1	100 Mesh	4,200	22,680
20	Slick Water	Pad	70	8,000	0	--	0	22,680
21	Slick Water	Slurry	70	8,000	0.2	40/70 Ottawa	1,600	24,280
22	Slick Water	Sweep	70	4,400	0	--	0	24,280
23	Slick Water	Slurry	70	8,000	0.2	40/70 Ottawa	1,600	25,880
24	Slick Water	Sweep	70	4,400	0	--	0	25,880
25	Slick Water	Slurry	70	8,000	0.3	40/70 Ottawa	2,400	28,280
26	Slick Water	Sweep	70	4,400	0	--	0	28,280
27	Slick Water	Slurry	70	8,000	0.3	40/70 Ottawa	2,400	30,680
28	Slick Water	Sweep	70	4,400	0	--	0	30,680
29	Slick Water	Slurry	70	8,000	0.4	40/70 Ottawa	3,200	33,880
30	Slick Water	Sweep	70	4,400	0	--	0	33,880
31	Slick Water	Slurry	70	8,000	0.4	40/70 Ottawa	3,200	37,080
32	Slick Water	Sweep	70	4,400	0	--	0	37,080
33	Slick Water	Slurry	70	8,000	0.5	40/70 Ottawa	4,000	41,080

Eng = 5
APE # = 12-023-0

34	Slick Water	Sweep	70	4,500	0	—	0	41,080
35	Slick Water	Slurry	70	8,000	0.5	40/70 Ottawa	4,000	45,080
36	Slick Water	Sweep	70	4,500	0	—	0	45,080
37	Slick Water	Slurry	70	7,500	0.6	40/70 Ottawa	4,500	49,580
38	Slick Water	Sweep	70	4,500	0	—	0	49,580
39	Slick Water	Slurry	70	7,500	0.6	40/70 Ottawa	4,500	54,080
40	Slick Water	Sweep	70	4,500	0	—	0	54,080
41	Slick Water	Slurry	70	7,500	0.7	40/70 Ottawa	5,250	59,330
42	Slick Water	Sweep	70	4,500	0	—	0	59,330
43	Slick Water	Slurry	70	7,500	0.7	40/70 Ottawa	5,250	64,580
44	Slick Water	Sweep	70	4,500	0	—	0	64,580
45	Slick Water	Slurry	70	7,500	0.8	40/70 Ottawa	6,000	70,580
46	Slick Water	Sweep	70	4,500	0	—	0	70,580
47	Slick Water	Slurry	70	7,500	0.8	40/70 Ottawa	6,000	76,580
48	Slick Water	Sweep	70	4,500	0	—	0	76,580
49	Slick Water	Slurry	70	7,500	0.9	40/70 Ottawa	6,750	83,330
50	Slick Water	Sweep	70	4,500	0	—	0	83,330
51	Slick Water	Slurry	70	7,500	0.9	40/70 Ottawa	6,750	90,080
52	Slick Water	Sweep	70	4,500	0	—	0	90,080
53	Slick Water	Slurry	70	5,000	1	40/70 Ottawa	5,000	95,080
54	Slick Water	Pad	70	7,500	0	—	0	95,080
55	Slick Water	Slurry	70	5,000	1	40/70 Ottawa	5,000	100,080
56	Slick Water	Pad	70	12,500	0	—	0	100,080
57	Slick Water	Slurry	70	12,500	1	16/30 Brady	12,500	112,580
58	Slick Water	Slurry	70	17,500	2	16/30 Brady	35,000	147,580
59	Slick Water	Slurry	70	17,500	3	16/30 Brady	52,500	200,080
60	Slick Water	Flush	70	3,000	0	—	0	
	Totals		gals	399,000			200,080	pounds
			bbls	9500				Sand
			tanks	20				

Estimated Surface Treating Pressure = 1,904 psig.
Maximum Surface Treating Pressure = 3,500 psig.

Fluid Specifications:

Slick Water - fresh water with a liquid friction reducer, KCl substitute, nonionic surfactant, liquid biocide agent and oxidizing breaker.

Use as much breaker as possible in all fluids.
All chemicals are to be pumped on the fly.

YPC will provide:
20 clean frac tanks

Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

WELL NAME: Anemone ANE Federal #3 FIELD: East Indian Basin

LOCATION: 810' FNL & 1930' FEL Sec 9-22S-24E Eddy County, NM

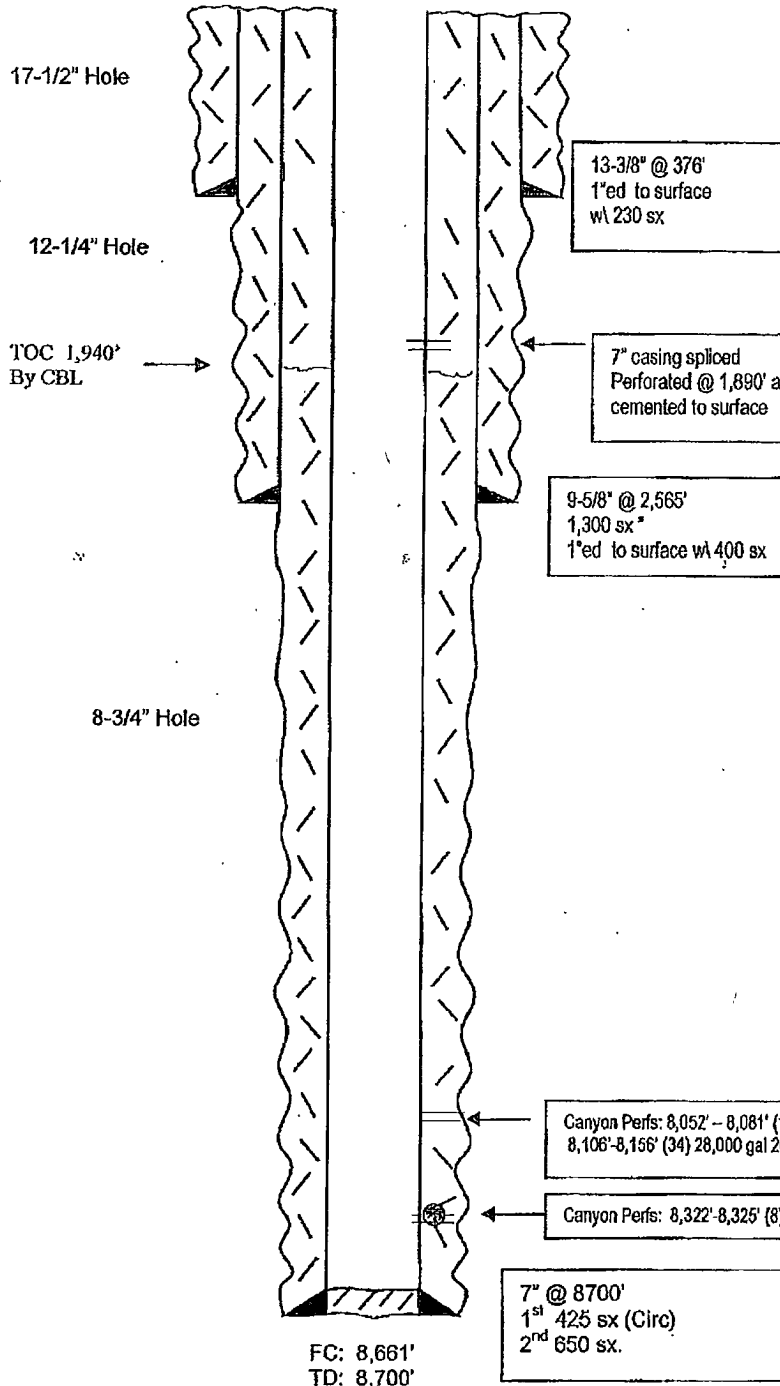
GL: 4171' ZERO: 18' KB: _____

SPUD DATE: 10/3/94 COMPLETION DATE: 11/10/94

COMMENTS: API No.: 30-015-28126

CASING PROGRAM

13-3/8" 64.5# J-55 ST&C	376'
9-5/8" 36# J-55 ST&C	2565'
7" 26# N-80 LTC	351'
7" 26# J-55 LTC	1,180'
7" 23# J-55 LTC	3,314'
7" 26# J-55 LTC	2,509'
7" 26# N-80 LTC	1,346'
	<u>8700'</u>



Before

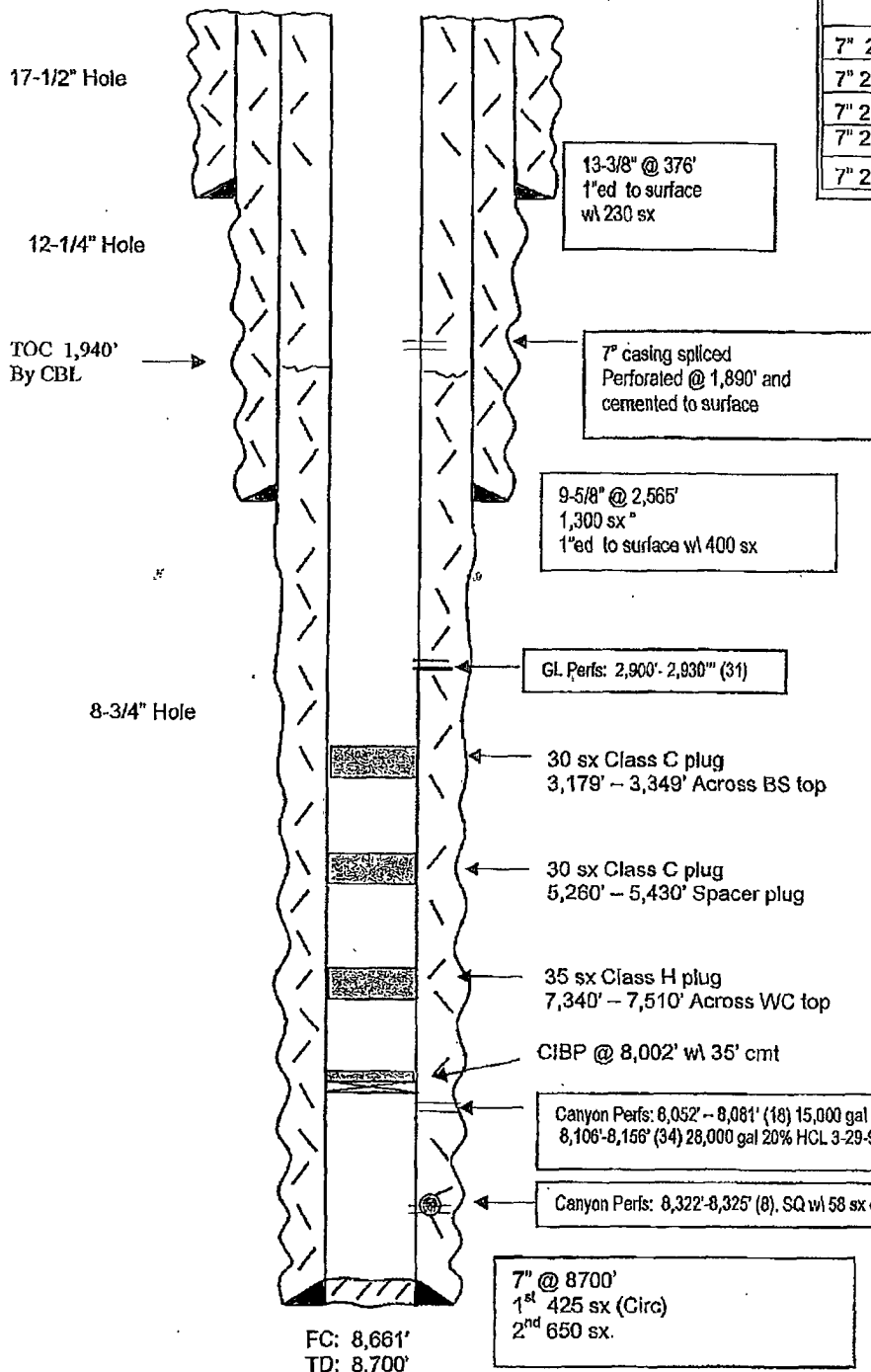
TOPS	
San Andres	1301'
Glorieta	2791'
BS Lime	3299'
Wolfcamp	7460'
Canyon	8024'

Not to Scale
1/17/12
JMH

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 JMH

Conditions of Approval

Yates Petroleum Corporation
Anemone ANE Federal - 003
API 3001528126
March 29, 2012

1. Notify BLM 575-361-2822 before plug back procedures. The procedures are to be witnessed.
2. Surface disturbance beyond the existing pad must have prior approval.
3. A closed loop system is required. The operator shall properly dispose of drilling contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
4. H₂S monitoring equipment to be used on location and functional.
5. A minimum of a 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 (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
7. Provide BLM with an electronic (Adobe Acrobat Document) cement bond log record from the cement plug to be placed at 3179'-3349' or below to top of cement.
8. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels of 9 lb/gal brine.
9. Set the CIBP at 8002'. Tag the CIBP at 8002' and place a Class H 25sx cement plug on that CIBP.
10. Set Wolfcamp plug as proposed.
11. A Class C cement plug (35sx minimum) is to be placed from 6600' and cover the DV Tool reported at 6521' by at least 50ft. Tag the plug at 6470' or shallower.
12. Set remaining plugs as proposed, using 30 sacks of Class C for the cement plug from 5430'.
13. The 7" 23# J55 LT&C csg reported set from 3854' to 7167' has a 100% burst rating of 4360 psig and collapse of 3270 psig new. This office would not have approved its use. The proposed perforations are to be in this segment.
14. Operator to test casing to 3000 psi prior to frac treatment.
15. Operator shall also perform a pressure test after the frac treatment to verify that casing integrity has been maintained. This pressure test shall be the maximum pressure reached during the fracture treatment, but not less than 2500 psi and can be performed after frac fluids flow back. Both pressure tests to be charted.
16. Do not hold the plug back and acid treatment subsequent sundry for the frac treatment if it occurs more than 30 days later. File the subsequent sundry for the frac separately.
17. Submit BLM Form 3160-4 completion report within 30 days of completion.
18. Workover approval is good for 90 days (completion to be within 90 days of approval).

Use of Form 3160-5 "Sundry Notices and Reports on Wells"

§ 43 CFR 3162.3-2 Subsequent Well Operations.

a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleteness in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompleteness in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§ 43 CFR 3160.0-9 (c)(1) Information collection.

(c)(1) The information collection requirements contained in part 3160 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned the following Clearance Numbers:

Operating Forms

Form No.	Name and filing date	OMB No.
3160-3	Application for Permit to Drill, Deepen, or Plug Back—Filed 30 days prior to planned action	1004-0136
3160-4	With Completion of Recompleteness Report and Log—Due 30 days after well completion	1004-0137
3160-5	Sundry Notice and Reports on Wells—Subsequent report due 30 days after operations completed	1004-0135

The information will be used to manage Federal and Indian oil and gas leases. It will be used to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. Response is mandatory only if the operator elects to initiate drilling, completion, or subsequent operations on an oil and gas well, in accordance with 30 U.S.C. 181 *et seq.*

§ 3162.4-1 (c) Well records and reports.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.