

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

**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-103879-SHL & NM-121951-BHL

6. If Indian, Allottee or Tribe Name

**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 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)  
575-748-4372

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

8. Well Name and No.  
Culebra "BLV" Federal Com. #2-H

9. API Well No.  
30-015-39422

10. Field and Pool or Exploratory Area  
Undesignated Bone Spring

4. Location of Well (Footage, Sec., T, R, M, or Survey Description)  
1650' FNL & 330' FWL, Sec 7-23S-29E, Surface Hole; 1980' FNL & 2320' FWL, Sec 8-23S-29E, Bottom Hole

11. County or Parish, State  
Eddy County, New Mexico

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

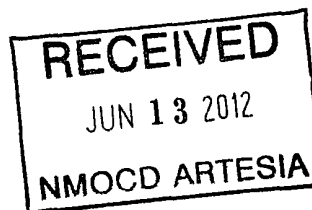
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input 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 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 must 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 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 wishes to change the depths of this well from 7580' TVD to 8673' TVD and the MD of 13070' to 15362' MD. Yates no longer plans to drill a Pilot Hole. Attached are change in the Drilling Program.

Accepted for record  
NMOCD

10/6/13/2012



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Cy Cowan

Title Land Regulatory Agent

Signature

*Cy Cowan*

Date

5/25/12

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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

**APPROVED**

JUN 12 2012  
/s/ Chris Walls

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

(Instructions on page 2)

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 and Natural Resources Department

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39422	Pool Code	Pool Name Undesignated Bone Spring
Property Code	Property Name CULEBRA "BLV" FEDERAL COM	Well Number 2H
GRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3015'

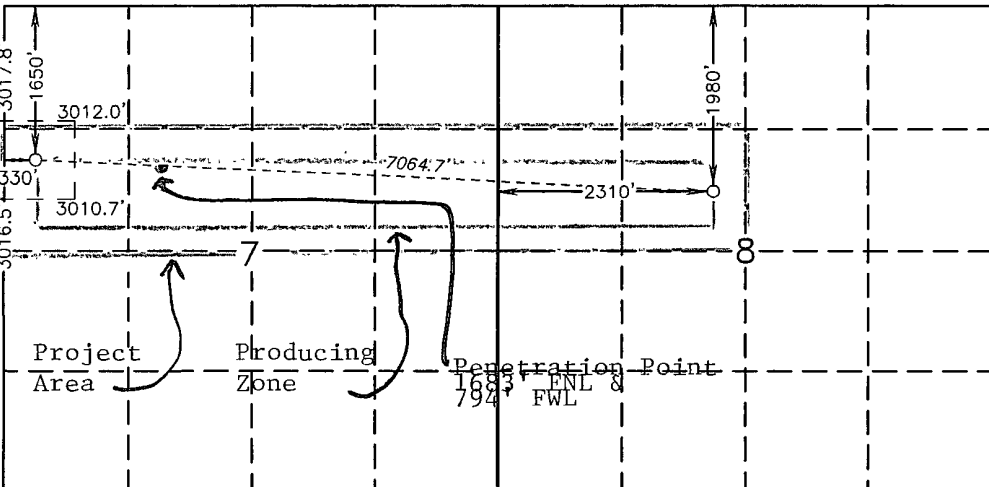
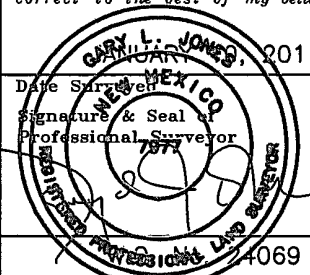
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	23 S	29 E		1650'	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
F	8	23 S	29 E		1980'	NORTH	2310'	WEST	EDDY
Dedicated Acres 240	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

<p><b>SURFACE LOCATION</b> Lat - N 32°19'22.56" Long - W 104°01'51.41" NMSPC- N 481346.673 E 634744.063 (NAD-83)</p>	<p><b>BOTTOM HOLE LOCATION</b> Lat - N 32°19'17.44" Long - W 104°00'29.29" NMSPC- N 480850.046 E 641791.316 (NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b> 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 unEDDysed 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____ Cy Cowan Printed Name cy@yatespetroleum.com Email Address</p>
		<p><b>SURVEYOR CERTIFICATION</b> 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.</p> <p></p> <p>Date Surveyed _____ Signature &amp; Seal of Professional Surveyor _____ Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24069</p>

YATES PETROLEUM CORPORATION  
Culebra "BLV" Federal Com #2H  
1650' FNL and 330' FWL, 7-23S-29E, Surface Hole Location  
1980' FNL & 2310' FWL, 8-23S-29E, Bottom Hole Location  
Eddy County, New Mexico

**DRILLING INFORMATION**

1. The estimated tops of geologic markers are as follows:

	VD	MD
Rustler	143'	Avalon Sand 6473'-Oil
Top of Salt	243'	Middle Avalon 6673'-Oil
Base of Salt	2538'	Lower Avalon 7053'-Oil
Lamar	2783'	Bone Spring 1 /SD/ 7448'-Oil
Bell Canyon	2823'	Bone Spring 2 /SD/ 8208'-Oil 8213'
Cherry Canyon	3653 Oil	Target SBSG 8500'-Oil 8760'
Brushy Canyon	4893'-Oil	TD (Lateral) 8673' 15362'
Bone Spring LM	6373'	
2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 170'  
Oil or Gas: See above

3. Pressure Control Equipment: 3000 PSI BOPE with a 13.625" opening will be installed on the 13.375" casing and a 5000 PSI with a minimum opening of 13.625" on the 9 5/8" casing. Pressure tests to 3000 PSI and 5000 PSI held for 30 minutes will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.
4. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment, and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when Kelly is not in use.

5. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: All new casing to be used

*See original (OAs)*

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H40/ J-55 Hybred	ST&C	0-200' 235'	200'
12 1/4"	9 5/8"	36#	J-55/K-55	L T&C	0-2800' 2700'	2800'
8 3/4"	5 1/2"	17#	P-110	LT&C	0-8020'	8020'
8 1/2"	5 1/2"	17#	P- 110	Buttress	8020'-15362'	7342'

Minimum Casing Design Factors: Burst 1.0, Tensile Strength 1.8, Collapse 1.125

**There will be no pilot hole** Well will be drilled vertically to 8022'. Well will then be kicked off at approximately at 8022' and directionally drilled at 12 degrees per 100' with a 8 3/4" to 8760 MD (8500 TVD). Hole size will then be reduced to 8 1/2" and drilled to 15362' MD (8673' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 1683' FNL and 794' FWL, 7-23S-29E. Deepest TVD in the well is 8673' in the lateral.

B. CEMENTING PROGRAM:

Surface Casing: 205 sacks C +2% CaCl<sub>2</sub> (Wt 14.80 Yld 1.34). TOC is surface. Cement designed with 100% excess.

Intermediate Casing: Lead with 735 sacks of 35:65:6PzC (Wt 12.50 Yld 2.00). Tail in with 200 sacks C with 2% CaCl<sub>2</sub> (Wt 14.80 Yld 1.34). TOC is surface. Cement is designed using 100% excess.

Production Casing: Cement will be done in 3 stages with DV tools at 7000' & 3500'. Designed with 35% excess.

Stage One: 290 sacks 35:65:6PzC (Wt 12.50 Yld 2.00). Tail in with 1536~~2~~ sacks Pecos Valley Lite with D112-Fluid Loss-0.4-%, D151-Calcium Carbonate-22.5-lb/sack, D174-Extender-1.5-lb/sack, D177-Retarder-0.01-lb/sack, D800-Retarder-0.6-lb/sack and D46-Antiform Agent-0.15-lb/sack (Wt 13.00 Yld 1.41). TOC. 7000'.

Stage Two: 450 sacks of 35:65:6PzC (Wt. 12.50 Yld. 2.00). Tail in 200 sacks Pecos Valley Lite with D112-Fluid Loss-0.4-%, D151-Calcium Carbonate-22.5-lb/sack, D174-Extender-1.5-lb/sack, D177-Retarder-0.01-lb/sack, D800-Retarder-0.6-lb/sack and D46-Antiform Agent-0.15-lb/sack (Wt 13.00 Yld 1.41). TOC is 3500'.

Stage Three: Lead 470 sacks of 35:65:6PzC (Wt 12.50 Yld 2.00). Tail in 200 sacks of Class C with 2% CaCl<sub>2</sub> (Wt. 14.80 Yld. 1.34). TOC is surface.

6. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-200' <sup>235</sup>	Fresh Water	8.60-9.20	32-34	N/C
200'-2800' <sup>2700</sup>	Brine Water	10.00-10.20	28-29	N/C
2800'-15362'	Cut Brine(Lateral Section)	8.8-9.20	28-32	<10-12

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations. Rig personnel will check mud hourly.

7. EVALUATION PROGRAM:

Samples: Thirty foot samples to 3000'. Every 10' from 3000' to TD  
Logging: Platform Hals; CMR;  
Coring: None anticipated  
DST's: None Anticipate  
Mudlogging: Yes: From surface casing to TD.

8. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Maximum Anticipated BHP:  
0'-200' 96 PSI  
200'-2800' 1485 PSI  
2600'-7850' 3755 PSI

Abnormal Pressures Anticipated: None  
Lost Circulation Zones Anticipated: None.  
H2S Zones Anticipated: None Anticipated  
Maximum Bottom Hole Temperature: 150 F

9. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 65 days to drill the well with completion taking another 30 days.

## Culebra BVL Fed Com

<b>Co:</b>	Yates Petroleum Corporation					<b>Units:</b>	Feet, ° 7100ft		<b>VS Az:</b>	94.03		<b>Method:</b>	Minimum Curvature	
<b>Drillers:</b>	0					<b>Elevation:</b>			<b>Map System:</b>	NAD83, St. Plane, Wyoming West				
<b>Well Name:</b>	Culebra BVL Federal Com #2H					<b>Northing:</b>			<b>Latitude:</b>					
<b>Location:</b>	Sec. 7, 23S-29E					<b>Easting:</b>			<b>Longitude:</b>					
Yates Petroleum Corporation: Culebra BVL Fed Com #2H														
No.	MD	CL	Inc.	Azi	TVD	VS	N/S	E/W	BR	WR	DLS	Comments		
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
1	143.00	143.00	0.00	0.00	143.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 RUSTLER, 143'		
2	243.00	100.00	0.00	0.00	243.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 TOS, 243'		
3	2538.00	2295.00	0.00	0.00	2538.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 BOS, 2538'		
4	2783.00	245.00	0.00	0.00	2783.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 LAMAR, 2783'		
5	2823.00	40.00	0.00	0.00	2823.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 BELL CANYON, 2823'		
6	3653.00	830.00	0.00	0.00	3653.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 CHERRY CANYON, 3653'		
7	4893.00	1240.00	0.00	0.00	4893.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 BRUSHY CANYON, 4893'		
8	6373.00	1480.00	0.00	0.00	6373.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00 BONE SPRINGS LM, 6373'		
9	6473.00	100.00	0.00	0.00	6473.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00 AVALON SAND, 6473'		
10	6673.00	200.00	0.00	0.00	6673.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00 MIDDLE AVALON, 6673'		
11	7053.00	380.00	0.00	0.00	7053.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00 LOWER AVALON, 7053'		
12	7448.00	395.00	0.00	0.00	7448.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00 FBSG, 7448'		
13	8022.88	574.88	0.00	94.03	8022.88	0.00	0.01	0.00	0.00	1.17	0.00	0.00 KOP, 8022'		
14	8100.00	77.12	9.25	94.03	8099.67	6.21	-0.43	6.20	12.00	0.00	12.00			
15	8200.00	100.00	21.25	94.03	8195.97	32.48	-2.28	32.40	12.00	0.00	12.00			
16	8212.99	12.99	22.81	94.03	8208.00	37.35	-2.62	37.26	12.00	0.00	12.00	12.00 SBSG, 8213' MD (8208' T		
17	8300.00	87.01	33.25	94.03	8284.70	78.19	-5.49	77.99	12.00	0.00	12.00			
18	8400.00	100.00	45.25	94.03	8361.99	141.35	-9.93	141.00	12.00	0.00	12.00			
19	8500.00	100.00	57.25	94.03	8424.47	219.20	-15.40	218.66	12.00	0.00	12.00			
20	8600.00	100.00	69.25	94.03	8469.39	308.34	-21.67	307.57	12.00	0.00	12.00			
21	8700.00	100.00	81.25	94.03	8494.79	404.87	-28.45	403.87	12.00	0.00	12.00			
22	8760.38	60.38	88.50	94.03	8500.18	464.97	-32.68	463.82	12.00	0.00	12.00	12.00 TARGET SBSG, 8760' MI		
23	15362.40	6602.02	88.50	94.03	8672.99	7064.73	-496.63	7047.25	0.00	0.00	0.00	0.00 LATERAL TD, 15362' MD		

