

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. NMNM65417
2. Name of Operator YATES PETROLEUM CORPORATION Contact: TROY M PETERSON Mail: tpeterson@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: 575-748-4211	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T22S R31E SESE 430FSL 178FEL		8. Well Name and No. MARTHA AIK FEDERAL 14H
		9. API Well No. 30-015-37556
		10. Field and Pool, or Exploratory DELAWARE
		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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original APD

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 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 respectfully requests permission to set a second intermediate string at approx. 7439' MD (7045' TVD), where 7" casing will be set and cemented to surface in three stages with a Packer Stage tool approx. 6000'-6500' and a DV/Packer Stage tool approx. 4550'-5050' (Cement will be distributed proportionately). Hole size will then be reduced to a 6 1/8" hole and drilled to approx. 10295' MD (7020' TVD), where 4 1/2" casing will be set and cemented from TD to approx. 6400'-6500' (Cement will be distributed proportionately). Once well is completed 4 1/2" casing will be cut and pulled at approx. 6500'. Please see attached for Intermediate 2 and Production casing and cement designs.

Accepted for record

NMOCD 105
12/7/2012

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED
DEC 06 2012
NMOCD ARTESIA

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

Electronic Submission #161568 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by CHRISTOPHER WALLS on 12/04/2012 ()

Name (Printed/Typed) TROY M PETERSON	Title WELL PLANNER
Signature (Electronic Submission)	Date 12/04/2012

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.

APPROVED

DEC 4 2012 Date

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

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 Federal or State agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Martha AIK Federal #14H

Casing Design

2nd Intermediate

0 ft to 7,439 ft		Make up Torque ft-lbs			Total ft = 7,439	
O.D. 7 inches	Weight 26 #/ft	Grade J-55	Threads LT&C	opt. 3670	min. 2750	mx. 4590
Collapse Resistance 4,320 psi	Internal Yield 4,980 psi	Joint Strength 367,000 #		Body Yield 415,000 #		Drift 6.151

DV/Packer Stage tool placed at 6500' & 4550'

Stage I: Lead w/ 135sx of PVL (YLD 1.41 WT 13) 6500'-7439' (35% excess)

Stage II: Lead w/ 130sx of 35:65:6 PozC (YLD 2 WT 12.5), Tail w/ 100sx of PVL (YLD 1.41 WT 13) 4550'-6500' (35% excess)

Stage III: Lead w/ 325sx of 35:65:6 PozC (YLD 2 WT 12.5), Tail w/ 100sx of Class C (YLD 1.34 WT 14.8) 0'-4550' (15% excess)

Production

0 ft to 6,500 ft		Make up Torque ft-lbs			Total ft = 6,500	
O.D. 4.5 inches	Weight 11.6 #/ft	Grade L-80	Threads LT&C	opt. 2230	min. 1670	mx. 2790
Collapse Resistance 6,350	Internal Yield 7,780 psi	Joint Strength 212,000 #		Body Yield 267,000 #		Drift 3.875

6,500 ft to 10,295 ft		Make up Torque ft-lbs			Total ft = 3,795	
O.D. 4.5 inches	Weight 11.6 #/ft	Grade L-80	Threads BT&C	opt.	min.	mx.
Collapse Resistance 6,350	Internal Yield 7,780 psi	Joint Strength 212,000 #		Body Yield 267,000 #		Drift 3.875

DV tool place at 6500'

Stage I: Lead w/ 340sx of PVL (YLD 1.41 WT 13) 6500'-10295' (35% excess)

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corporation
LEASE NO.:	NMNM065417
WELL NAME & NO.:	Martha AIK Federal # 14H
SURFACE HOLE FOOTAGE:	530' FSL & 200' FEL
LOCATION:	Section 11, T. 22 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

1. The minimum required fill of cement behind the 7 inch production casing is:
 - a. First stage to DV tool:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - c. Third stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
2. The minimum required fill of cement behind the 4-1/2 inch production casing is:
 - a. First stage to DV tool:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool:
 - Cement will not be pumped, casing will be cut and pulled after completion.

CRW 120412