

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 [X] Oil Well [ ] Gas Well [ ] Other
2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210
3b. Phone No. (include area code) Ph: 575-748-4168
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T19S R25E SWSE 660FSL 1980FEL

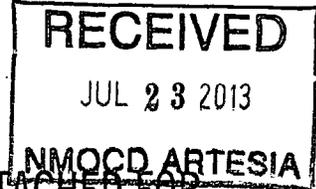
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. 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.

Yates Petroleum Corporation plans to plugback and recomplate this well as follows:

- 1. MIRU WSU and all safety equipment as needed. NU BOP.
2. POOH with production equipment and tubing.
3. RIH with GR/JB to 5966 ft; then set a 7 inch CIBP at 5956 ft and cap with 25 sx Class C cement.
4. Perforate Yeso 3380 ft - 3506 ft (57).
5. Acidize with 8000g 20 percent HCL with 2g/M gelling agent, cationic surfactant, corrosion inhibitor and iron control additives. Drop 85 1.3 sg ball sealers spaced out evenly throughout the acid. Flush to bottom perf and over flush by 100 bbls. Swab test and evaluate and consider turning well over to production or pumping a 20,000g acid frac.
6. RIH with pump and rods and hang the well off. Turn well over to production.



SEE ATTACHED FOR CONDITIONS OF APPROVAL

Signature: [Signature] Date: 7/29/13 Accepted for record NMOCD

always include current & proposed well bore diagrams + C/OZ

14. I hereby certify that the foregoing is true and correct. Electronic Submission #12046 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 07/02/2013 ( )

Name (Printed/Typed) TINA HUERTA Title REG REPORTING SUPERVISOR Signature (Electronic Submission) Date 06/27/2013



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By [Signature] Title [Signature] Office [Signature] JUL 19 2013 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.

**Additional data for EC transaction #212046 that would not fit on the form**

**32. Additional remarks, continued**

Wellbore schematics attached

WELL NAME: Polo AOP Fed Com #6 FIELD: Dagger Draw

LOCATION: 660' FSL & 1,980' FEL of Section 10-19S-25E Eddy Co., NM

GL: 3,454' ZERO: 17' KB: 3,471'

SPUD DATE: 06/17/96 COMPLETION DATE: 08/03/96

COMMENTS: API No.: 30-015-28871

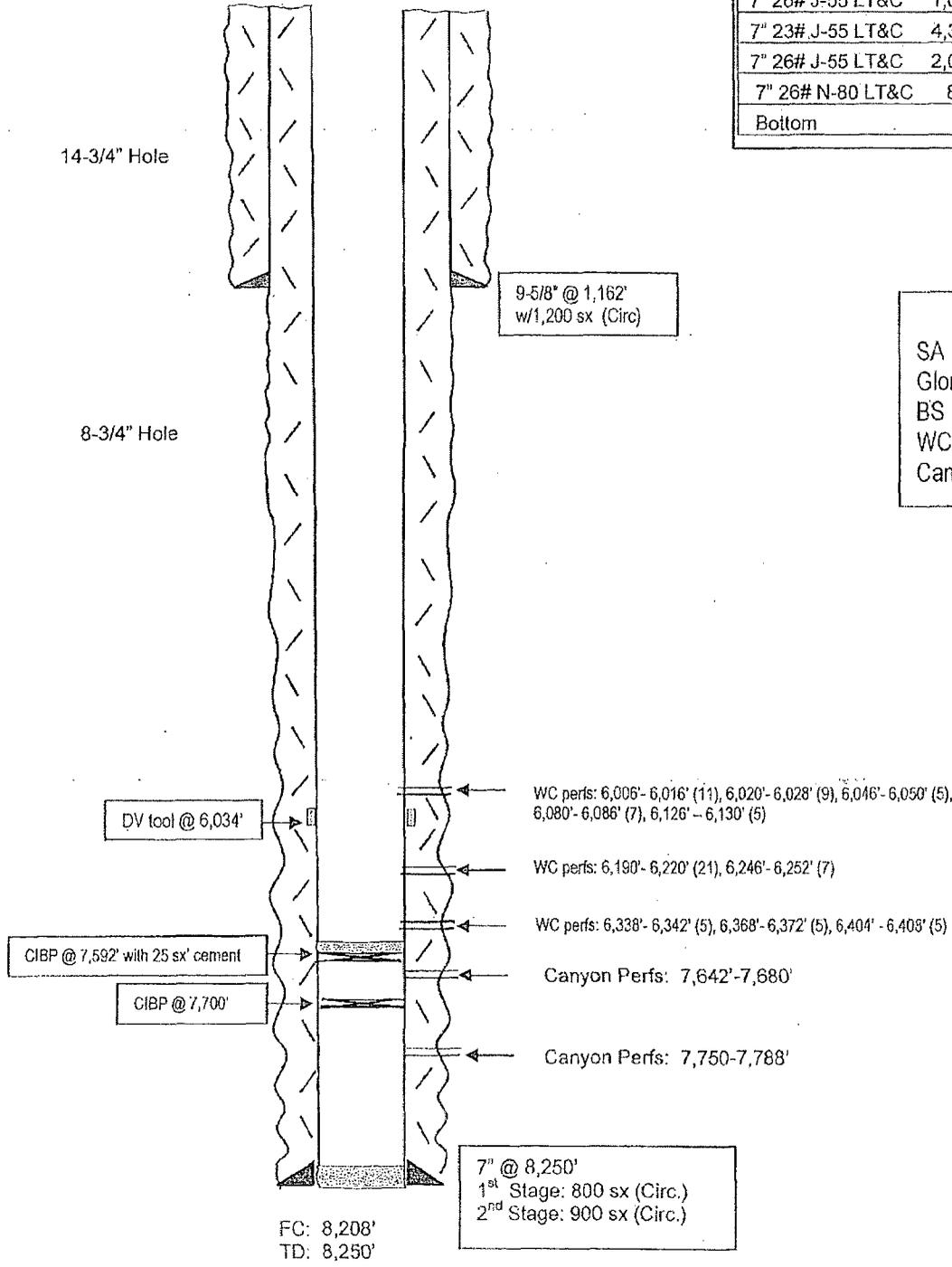
**CASING PROGRAM**

9-5/8" 36# J-55		1,162'
Surface		
7" 26# J-55 LT&C	1,019'	
7" 23# J-55 LT&C	4,317'	
7" 26# J-55 LT&C	2,025'	
7" 26# N-80 LT&C	894'	8,250'
Bottom		

**Before**

**TOPS**

SA	452'
Glorieta	2,405'
BS	3,668'
WC	5,603'
Canyon	7,602'



**Not to Scale**  
5/20/13  
Hill

**Polo AOP Fed Com 6  
30-015-28871  
Yates Petroleum Corporation  
July 19, 2013  
Conditions of Approval**

**Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.**

**Work to be completed by October 19, 2013.**

- 1. Operator shall set a CIBP at 5,956' and place 25 sx Class C cement. Tag required.**
- 2. Operator shall set a balanced neat class C cement plug from 5,653'-5,497' to seal the Wolfcamp formation.**
- 3. Operator shall set a balanced neat class C cement plug from 3,718'-3,581' to seal the Bone Spring formation.**
- 4. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 5. If CIT passes, recompletion is approved as written.**
- 6. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 7. Surface disturbance beyond the originally approved pad must have prior approval.**
- 8. Closed loop system required.**
- 9. 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.**
- 10. Operator to have H2S monitoring equipment on location.**

11. A minimum of a 2000 (2M) 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). 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.
12. **Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.**
13. **See attached for general requirements.**

**JAM 071913**

**BUREAU OF LAND MANAGEMENT**

**Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Permanent Abandonment of Production Zone Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging back/recompletion operations shall commence within **ninety (90)** days from this approval.

**If you are unable to plug back the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. **Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.