

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT **OCD-ARTESIA**FORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

JUL 26 2007

2. Name of Operator

**Yates Petroleum Corporation 25575****OCD-ARTESIA**

3a. Address

**105 South Fourth Street, Artesia, NM 88210**

3b. Phone No. (include area code)

**(505) 748-1471**

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

1350' FNL and 330' FWL Surface Hole Location

1650' FNL and 330' FWL Bottom Hole Location

Section 13, T24S-R29E

5. Lease Serial No.

NM-88136

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No

Corral Draw AQH Federal #5 20474

9. API Well No.

30-015-35097

10. Field and Pool, or Exploratory Area

Pierce Crossing, Bone Spring, East 96473

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 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 checked="" 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 checked="" type="checkbox"/> Other <u>Extend</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 wishes to extend the captioned well's APD expiration date for two (2) years to July 28, 2009. (C-144 attached)

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Bone Spring formation to meet the OCD's minimum requirements for the submission of a contingency plan per rule 118.

Thank you.

APPROVED FOR 24 MONTH PERIOD  
ENDING 7-28-09

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

Name (Printed/Typed)

Cy Cowan

Email: cy@ypcnm.com

Title: Regulatory Agent / Land Department

Signature

Date

June 28, 2007

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

FOR

Title

FIELD MANAGER

Date

JUL 24 2007

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

BLM-CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, 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 reverse) **Previously Approved**

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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-35097	<sup>2</sup> Pool Code 96473	<sup>3</sup> Pool Name Pierce Crossing, Bone Spring, East
<sup>4</sup> Property Code 20474	<sup>5</sup> Property Name CORRAL DRAW AQH FEDERAL	<sup>6</sup> Well Number 5
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION	<sup>9</sup> Elevation 3010'

<sup>10</sup> Surface Location

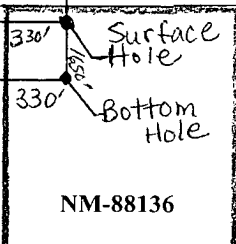
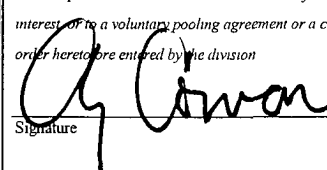
UL or lot no. E	Section 13	Township 24S	Range 29E	Lot Idn	Feet from the 1350	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	----------------------	------------------------	----------------

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. E	Section 13	Township 24S	Range 29E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	----------------------	------------------------	----------------

<sup>12</sup> Dedicated Acres 40 SWNW	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<div>16</div> <div></div>	<div>17 OPERATOR CERTIFICATION</div> <p>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 unleased 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> <div><div></div><div>6/28/07</div></div> <div>Signature</div> <div>Date</div> <div>Cy Cowan</div> <div>Printed Name</div> <div>Regulatory Agent</div> <div>Title</div>			
	<div>18 SURVEYOR CERTIFICATION</div> <p>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> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div>REFER TO ORIGINAL PLAT</div> <div>Certificate Number</div>			

DISTRICT I  
1626 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Bone Spring
Property Code	Property Name CORRAL DRAW "AQH" FEDERAL	Well Number 5
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3010

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	13	24S	29E		1350	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
E	13	24S	29E		1650	NORTH	330	WEST	EDDY

Dedicated Acres 40	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>N.32°13'16.1" W.103°56'44.0" N.444398.3 E.661255.1 (NAD-83)</p> <p>1350'</p> <p>3003 3011</p> <p>330'</p> <p>3012 3029</p> <p>BOTTOM HOLE</p> <p>Surface Hole</p> <p>Project Area</p> <p>Producing Area</p> <p>Bone Spring Penetration</p> <p>Point 330' FWL</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>August 17, 2006</p> <p>Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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>6/21/2006</p> <p>Date Surveyed</p> <p></p> <p>Signature of Professional Surveyor</p> <p></p> <p>Certification No. Herschel Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471

e-mail address \_\_\_\_\_

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name Corral Draw AQH Federal #5 API #: 30-015-35097 U/L or Qtr/Qtr E Sec 13 T 24 S R 29 E

County Eddy Latitude N 32° 01' 31" 16" Longitude W 103° 56' 44" 0" NAD. 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 20,000 bbl

**Below-grade tank**

Volume \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
100 feet or more	(0 points) 0

Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes	(20 points)
No	(0 points) 0

Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)

Less than 200 feet	(20 points)
200 feet or more, but less than 1000 feet	(10 points)
1000 feet or more	(0 points) 0

<b>Ranking Score (Total Points)</b>	0
-------------------------------------	---

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

Date June 14, 2007

Printed Name/Title Cy Cowan, Regulatory Agent

Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval

Date \_\_\_\_\_

Printed Name/Title \_\_\_\_\_ Signature \_\_\_\_\_

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: YATES PETROLEUM CORPORATION  
Well Name & No. 5 – CORRAL DRAW AQH FEDERAL  
Location: 1350' FNL & 330' FWL – SEC 13 – T24S – R29E – SHL – EDDY  
1650' FNL & 330' FWL – SEC 13 – T24S – R29E – BHL - EDDY  
Lease: NM-88136

.....

### I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

### II. CASING:

- A. The 13-3/8 inch surface casing shall be set at 500 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is circulate cement to the surface. If cement does not circulate see A.1 thru 4.
- C. The minimum required fill of cement behind the 5-1/2 inch production casing is tie back 200 feet into the 8-5/8 inch casing.
- D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Section 17.
- B. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - 1. The tests shall be done by an independent service company.
  - 2. The results of the test shall be reported to the appropriate BLM office.
  - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
  - 5. A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi with the rig pumps is approved.

LBabyak 7/20/07