Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SEP 16 2009

RM

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

5. Lease Serial No.
NM-99034

6 If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Juniper BIP Federal #8H

2. Name of Operator
Yates Petroleum Corporation

9. API Well No.
30-015-37252

3a. Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No *(include area code)*
(575) 748-1471

10 Field and Pool, or Exploratory Area
Undesignated Bone Spring

4. Location of Well *(Footage, Sec , T , R , M , or Survey Description)*
Surface: 1375' FSL & 130' FWL ,
BHL: 1980' FSL & 330 FEL ,
Section 4 T24S-R29E, Unit Letter (Surface L) (BHL I)

11. County or Parish, State
Eddy County

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 Corportation respectfully requests permission to change the hole and casing sizes on this well to the following.

Hole Size	Casing Size	Setting Depth	Estimated TOC
17 1/2"	13 3/8"	600'	Circulated
12 1/4"	9 5/8"	2,850'	Circulated
8 3/4" & 7 7/8"	5 1/2"	12,549' MD	2350'

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Revised casing design and cement program are attached. Directional plan to remain as permitted.
Also included is a contingency casing design for 7" 2nd intermediate (if needed).
It is also requested that the pool name be changed to Undesignated Bone Springs and that Onshore Order 2 III.B.1.i not be applied to this w
With producing wells within a 1 mile radius, this is not an exploratory well.
Thank-You

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

Name *(Printed/Typed)*: Jeremiah Mullen
Title: Well Planning Technician
Signature: Jeremiah Mullen
Date: August 28, 2009

APPROVED
SEP 14 2009
WESLEY W. INGRAM
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE 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

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)

JWR

Juniper BIP Federal #8H

Surface Casing

0 ft to 600 ft				Make up Torque ft-lbs			Total ft = 600
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
13.375 inches	48 #/ft	H-40	ST&C	3,220	2,420	4,030	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
740	1,730 psi	322 ,000 #		541 ,000 #		12.559	

Cemented w/350sx C (YLD 1.64 Wt 14.8), tail w/200sx Class C (YLD 1.34 Wt 14.8) TOC= Surface

Intermediate Casing

0 ft to 2,850 ft				Make up Torque ft-lbs			Total ft = 2,850
O.D	Weight	Grade	Threads	opt	min	mx.	
9.625 inches	36 #/ft	J-55	ST&C	4,530	3,400	5,660	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
2,020 psi	3,520 psi	394 ,000 #		564 ,000 #		8.765	

Cemented w/750sx C-Lite (YLD 2 0 Wt 12.4), tail w/200sx Class C (YLD 1.32 Wt 14.8) TOC= Surface

Production Casing

0 ft to 8,200 ft				Make up Torque ft-lbs			Total ft = 8,200
O.D.	Weight	Grade	Threads	opt	min.	mx.	
5.5 inches	17 #/ft	HCP-110	LT&C	4620	3470	5780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,580 psi	10,640 psi	445 ,000 #		546 ,000 #		4.767	

8,200 ft to 12,549 ft				Make up Torque ft-lbs			Total ft = 4,349
O.D.	Weight	Grade	Threads	opt	min.	mx.	
5.5 inches	17 #/ft	L-80	LT&C	3410	2560	4260	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
6,290	7,740 psi	338 ,000 #		397 ,000 #		4.767	

DV tools placed at 7000' and 4200'
Stage I: Cemented w/1500sx PVL (YLD 1.41 Wt 13) TOC= 7000'
Stage II: Cemented w/1000sx PVL (YLD 1.41 Wt 13) TOC= 4200'
Stage III Cemented w/675sx PVL (YLD 1 41 Wt 13) TOC= 2350'

An 8 3/4" hole will be drilled to 8,185' MD (7,840' TVD) Decision will then be made whether to set 7" or not. If 7" casing is not set, then hole size will be reduced to 7 7/8" and drilled to 12,549' MD (7,840' TVD) where 5 1/2" casing will be set and cemented as per the above production casing/cement design.

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 8,185' MD (7,840' TVD) A 6 1/8" hole will then be drilled to 12,549' MD (7,840' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7000'

2nd Intermediate

0 ft to 100 ft				Make up Torque ft-lbs			Total ft = 100
O D.	Weight	Grade	Threads	opt.	min.	mx	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367 ,000 #		415 ,000 #		6.151	

100 ft to 5,800 ft				Make up Torque ft-lbs			Total ft = 5,700
O D.	Weight	Grade	Threads	opt.	min	mx	
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
3,270	4,360 psi	313 ,000 #		366 ,000 #		6.25	

5,800 ft to 8,185 ft				Make up Torque ft-lbs			Total ft = 2,385
O D	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367 ,000 #		415 ,000 #		6.151	

DV tools placed at 7000' and 4200'.
Stage I Cemented w/250sx PVL (YLD 1.41 Wt 13) TOC= 7000'
Stage II: Cemented w/600sx PVL (YLD 1.41 Wt 13) TOC= 4200'
Stage III· Cemented w/150sx Lite Crete (YLD 2.78 Wt 9.9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 2350'

Production

0 ft to 12,549 ft				Make up Torque ft-lbs			Total ft = 12,549
O.D	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,650 psi	10,690 psi	279 ,000 #		367 ,000 #		3.875	

DV tool placed at approx 7000' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7000'
Cemented w/750sx PVL (YLD 1 41 Wt 13) TOC= 7000'

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corp
LEASE NO.:	NM99034
WELL NAME & NO.:	8H Juniper BIP Federal
SURFACE HOLE FOOTAGE:	1375' FSL & 130' FWL
BOTTOM HOLE FOOTAGE	1980' FSL & 330' FEL
LOCATION:	Section 4, T. 24 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **Although Hydrogen Sulfide has not been reported as a hazard in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2. 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.

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

4. **The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. The Rustler top and top and bottom of Salt is to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Secretary's Potash.
Medium cave/karst.
Possible lost circulation in the Delaware and Bone Spring formations.

1. The **13-3/8** inch surface casing shall be set **at approximately 600 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **If the salt is encountered at a shallower depth, the casing must be set 25' above the top of the salt.**

    a. 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.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and Secretary's Potash.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

a. First stage to DV tool, cement shall:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

b. Second stage to second DV tool, cement shall:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with third stage cement job.

c. Third stage above DV tool, cement shall:

☒ Cement should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification.

Contingency casing program:

4. The minimum required fill of cement behind the **7** inch intermediate casing is:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the 7" casing must come to surface.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

5. The minimum required fill of cement behind the **4-1/2** inch production casing is:

   ☒ Cement to come to DV tool depth. Operator shall provide method of verification.

6. 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 joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. 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 Sec. 17. **Piping from choke manifold and to flare to be as straight as possible.**

2. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

   a. The tests shall be done by an independent service company.

   b. The results of the test shall be reported to the appropriate BLM office.

   c. 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.**

   d. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

WWI 091409