Form 3160-5 February 2005)

# **UNITED STATES** DEPARTMENT OF THE INTERIOR OCD-ARTESIA **BUREAU OF LAND MANAGEMENT**

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.

FORM APPROVED OMB No. 1004-0137

Expires March 31, 2007

5. Lease Serial No.

N	١/	۱_8	7.3	:1.	į

6. If Indian, Allottee or Tribe Name

## Not Applicable

				I Mot Applicable		
SUBMIT IN TR	IPLICATE - Other instruc	tions on page 2.	N/ED	7. If Unit or CA/Agreement, Name and/o Not Applicable		
1. Type of Well			17 13.00 14.5	8. Well Name and No.		
Oil Well X Gas Well  2. Name of Operator	Other (re-entry)	DEC 2 8	2009			
	005575	AIRACCO A	DTECIA	Blown Gasket AVX Federal Com #1  9. API Well No.		
Yates Petroleum Corporation		INMOCD A				
3a. Address	3b.	•	area code)	30-015-20330		
105 South Fourth Street, Arte	esia, NM 88210 (5	75) 748-1471		10. Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec., 7	T., R., M., or Survey Description)			Undesignated Morrow		
660	)' FSL and 660' FWL, Uni	t M		11. County or Parish, State		
	Eddy County, New Mexico					
12. CHECK THE APPR	EPORT, OR OTHER DATA					
TYPE OF SUBMISSION		ТҮРЕ ОР	FACTION			
Notice of Intent	Acidize  Alter Casing	Deepen [Fracture Treat	Production Reclamation	(Start/Resume) Water Shut-Off  Well Integrity		
Subsequent Report	Casing Repair	New Construction [Plug and Abandon [	Recomplete			
Final Abandonment Notice	Change Plans Convert to Injection	y Abandon osal				
13. Describe Proposed or Completed Operatus the proposal is to deepen directionally or a Attach the Bond under which the work w following completion of the involved oper testing has been completed Final Abando determined that the site is ready for final in	recomplete horizontally, give subsurface ill be performed or provide the Bond No ations If the operation results in a multi imment Notices must be filed only after a	locations and measured and on file with BLM/BIA. R ple completion or recomple	I true vertical dept Required subsequent tion in a new inter	hs of all pertinent markers and zones nt reports must be filed within 30 days val, a Form 3160-4 must be filed once		

Yates Petroleum Corporation wishes to extend the captiond well's APD for two (2) years to December 7, 2011. H2S is not anticipated.

C-102 Attached.

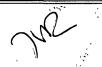
Previously Approved.

Thank you.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct	
Name (Primed/Typed)	Title
Cy Cowan	Land Regulatory Agent
Signature Orna	Date November 10, 2009
THIS SPACE FOR	FEDERAL OR STATE USE
Approved by /s/ Don Peterson	FON Title IELD MANAGER DEC 2, 2, 2009
Conditions of approval, if any, are attached. Approval of this notice does not warracertify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.	

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 Salses factitious or fraudulent statements or representations as to any matter within its jurisdiction.



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			<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
							Wildcat Mor	row		
<sup>4</sup> Property (	Code				<sup>5</sup> Property N	ame			<sup>6</sup> Well Number	
33049				BLOW	N GASKET AVX	FEDERAL COM	COM 1			
<sup>7</sup> OGRID I	No.				<sup>8</sup> Operator N	ame			<sup>9</sup> Elevation	
025575	; ]			YATES	S PETROLEUM	CORPORATION			3801.4'	
<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range Lot Idn Feet from the North/South line Feet from the East/West line County					t line County		
M	21	18S	24E		660	SOUTH	660	WEST	EDDY	
11 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/Wes	t line County	
					ł					
12 Dedicated Acres	13 Joint o	r Infill 14 (	Consolidation	Code 15 Ord	ler No.	· · · · · · · · · · · · · · · · · · ·				
320 S/2										

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.

		17 OPERATOR CERTIFICATION  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 rotunitary pooling agreement or a compulsory pooling order heretofore entered by the division  9/24/07  Signature  Date  Cy Cowan  Printed Name  Regulatory Agent  Title
NM-87314	V-4816	Is SURVEYOR CERTIFICATION 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.  Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT

# 

Form C-102 Supersedes G-128. Ellective 14-65

All distances must be from the outer boundaries of the Section. Well No. Federal MIDWEST OIL CORP. Township Range County 21 South 24 East Eddy 18 Footage Location of Wells 660 660 south west line and leet from the Producing Formation Pool Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 🛬 I more than one lease of different ownership is dedicated to the well, have the interests of all owners been consoliated by communitization, unitization, force-pooling, etc? No. If answer is 'yes,' type of consolidation \_\_\_\_ I answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of is form if necessary.)\_ o allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, sced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION I hereby certify that the information con-Position Clark Comp Hidwest Oil Corporation Date #-31-70 I hemby certify that the well location n of the party of the later ARTESIA NEW MEXICO Date Surveyed Aug. 27, 1970 Registered Professional Engineer and/or Land Surveyor m/1//1/10

# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	
LEASE NO.:.	
WELL NAME & NO.:	1-BLOWN GASKET AVX FED COM
SURFACE HOLE FOOTAGE:	660' FSL & 660' FWL
BOTTOM HOLE FOOTAGE	
LOCATION:	Section 21, T. 18 S., R 24 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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Time! Aliandenment/Declaration

# GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on

# II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

# ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES III.

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

# NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

# V. SPECIAL REQUIREMENT(S)

# Conditions-of-Approval for Drilling in Aplomado Falcon Habitat

The following well pad construction and reclamation measures will be implemented to provide for minimal long-term disturbance:

No Yuccas or trees over 5 feet in height will be damaged by vehicular use or any other activity associated with this project.

All active raptor nests will be avoided by a minimum of 400 meters by all activities or curtail activities until fledging is complete.

All inactive raptor nests will be avoided by a minimum of 200 meters by all activities.

Remove all caliche from well pads and roads that are plugged and abandoned.

Reclamation will consist of disking, mulching, seeding with a drill (See seed mixture below), and application of water to encourage seed germination.

Well pad size will not exceed 300 ft. x 390 ft. (unless multiple wells are drilled from the same well pad). All unused portions of the well pad associated with producing wells will be reclaimed using the seed mixture below:

Buffalograss (Buchloe dactyloides) 4 lbs/acre Blue grama (Bouteloua gracilis) 1 lbs/acre Cane bluestem (Bothriochloa barbinodis) 5 lbs/acre Sideoats grama (Boutelou curtipendula) 5 lbs/acre Plains bristlegrass (Setaria macrostachya) 6 lbs/acre

Reserve pits for drilling and disposal are not allowed unless the pit can be effectively netted to the satisfaction of the BLM. Steel tank circulation system must be used if the reserve pit is not netted.

A sign stating "This Pipeline Corridor is Closed to Vehicular Traffic Due to Reclamation Efforts in Progress" will be placed where the pipeline crosses any road (both sides of the road), and at the beginning and end of the pipeline route on BLM administered lands.

All roads associated with well development will not exceed 30 ft in width

## **Communitization Agreement**

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales. Operator to supply NMOCD order, which details the vertical and horizontal extent of pool to verify that requested communitization is within an approved and established pool. NMOCD form C-123 – pool designation request.

# VI. CONSTRUCTION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5972 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

# В.

The operator shall stockpile the topsoil of the well pad. The topsoil shall be used for interim and final reclamation.

# CLOSED LOOP SYSTEM $\mathbf{C}_{ij}^{\prime\prime}$

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

# FEDERAL MINERAL MATERIALS PIT D.

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (575) 234-5972.

# WELL PAD SURFACING $\mathbf{E}$ .

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface. disturbance, consistent with safety and operational needs.

# ON LEASE ACCESS ROADS

## Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

# Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

# Crowning

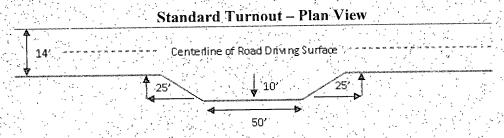
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

### Ditching '

Ditching shall be required on both sides of the road.

## Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



# Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off

# Cross Section Of Typical Lead-off Ditch · L' Minimum Depth Berm · Natural Ground Level Down Slope

All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

# Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: 400'/4% + 100' = 200' lead-off ditch interval Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow

# Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease

A gate shall be constructed and fastened securely to H-braces.

# Fence Requirement

Where entry is required across a fence line, the fence shall be braced and tied off on both

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s). Public Access

						, ;
Public access on	this road shall	not be restri	cted by the o	perator with	out specific writter	ij
approval granted	d by the Author	rized Officer.				
						· - ,
						· .
						٠.
1 Page 1 1 Page 1 1 Page 1 1 Page 1 P						

-100 Merkit descripturs shak be constructed on the sing transfer radis on a liberal curies with a carkbard runners as needed to keep spacing are 6 with 200 sees. Typical Turnout Plan reignsoffik of strål det emporkmen 3:1 2: } obove 41 **Embankment Section** ್ದಾರಶ ಕ್ರಾಧಕ 270,40 earmsurface 03 - Ò5 h/F .02 = .04 ft in aggrégate serfoca 02 - .03 Pyt gaved súrface Depth repaired from the poticin of the direk E, Nia, Bi Shiriq Side Hill Section πανεί şunace \_ (siope Z − 4°, ) Toverscripte -Typical Outsloped Section Typical Inslope Section

Figure 1 - Cross Sections and Plans For Typical Road Sections

# VII. DRILLING - Re-entry

# 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 Cementing the production casing string
- c. CIT test
- d.". 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 in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts 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.
- 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. If available, a digital copy of the logs is to be submitted in addition to the paper copies.

# B. CASING - Re-entry

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.

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.

- 1. The 11-3/4 inch surface casing exists and is set at 465' and cemented to surface.
- 2. The 8-5/8 inch intermediate casing exists and is set at 2099' and cemented to surface.

Formation below the 8-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i due to open hole.

- 3. The 5-1/2 inch production casing exists from approximately 5291' to 8750' and cemented to 6500' based on temperature survey.
- 4. The minimum required fill of cement behind the **tie back 5-1/2** inch production casing is:
  - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. Additional cement may be required as the excess cement calculated to 10%.

A CIT is to be performed on the production casing per Onshore Oil and Gas Order 2.III.B.1.h prior to drilling the CIBP at 6960'.

5. 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
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.

- The appropriate BLM office shall be notified a minimum of 2 hours in advance for a
  - a. The tests shall be done by an independent service company.
  - The results of the test shall be reported to the appropriate BLM office.
  - 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.
  - 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

### D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used.

# E. DRILL STEM TEST

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

# CRW 111809

# VIII. PRODUCTION (POST DRILLING)

# WELL STRUCTURES & FACILITIES

# Placement of Production Facilities

Production facilities should be placed on the south side of the well pad to allow for maximum interim recontouring and revegetation of the well location. Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color. Shale Green, Munsell Soil Color Chart # 5Y 4/2

# IX. INTERIM RECLAMATION & RESEEDING PROCEDURE

## A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed

## B. RESEEDING PROCEDURE

Once the well is drilled, all completion procedures accomplished and all trash removed, reseed the location and all surrounding disturbed areas as follows:

# Aplomado Falcon Habitat Seed Mixture

Buffalograss (Buchloe dactyloides)	4 lbs/acre
Blue grama (Bouteloua gracilis)	1 lbs/acre
Cane bluestem (Bothriochloa barbinodis)	5 lbs/acre
Sideoats grama (Boutelou curtipendula)	5 lbs/acre
Plains bristlegrass (Setaria macrostachya)	6 lbs/acre

# X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.