OCD-ARTESIA FORM APPROVED **UNITED STATES** OMB No 1004-0135 Expires Jnovember 30, 2000 AUG -9 2010 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lease Serial No. INDRY NOTICES AND REPORTS ON WELLS NM-116044 NMOCD ARTESIA e this form for proposals to drill or reenter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Gas Well Other Well Name and No. X Oil Well Name of Operator Petrogulf BJT Federal #2H 9. API Well No Yates Petroleum Corporation 3a Address 3b Phone No. (include area code) 30-015-37367 105 South Fourth Street, Artesia, NM 88210 (575) 748-1471 10 Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Undesignated Delaware Surface: 1980' FSL & 330' FEL, 11. County or Parish, State BHL: 1980' FSL & 330 FWL, **Eddy County** Section 14, T24S-R31E, Unit Letter (Surface I) (BHL L) 12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acıdıze Deepen Production (Start/Resume) ■ Water Shut-Off Well Integrity Alter Casing Fracture Treat Reclamation Subsequent Report Casing Repair New Construction Recomplete Other □ Temporarily Abandon Change Plans Plug and Abandon Final Abandonment Notice Convert to Injection ☐ Plug Back Water Disposal 13. Describe Proposed or Completed Operations (clearly state all pertunent 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 pertunent 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 reduce the production hole to 8 1/2" instead of 7 7/8". An 8 3/4" hole will still be drilled to 8,662' MD (8,390' TVD). If 7" casing is not set then hole will be reduced to 8 1/2" where 5 1/2" casing will be set and cemented as follows: Stage I from 7800'-12805': cement w/1660sx Pecos Valley Lite (YLD 1.41 WT 13) TOC=7800' Stage II from 5700'-7800': cement w/750sx Pecos Valley Lite (YLD 1.41 WT 13) TOC=5700' Stage III from 3900'-5700': lead w/300sx Lite Crete (YLD 2.66 WT 9.9), tail w/100sx Pecos Valley Lite (YLD 1.4 WT 13) TOC-If 7" casing is warranted by hole conditions, then contingency plan will be used as permitted. Thank-You I hereby certify that the foregoing is true and correct

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jeremiah Mullen

Signature

Date

July 26, 2010

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 m the subject lease 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 States first thous or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



