

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

Oil Cons. N.M. Div. 2
1301 W. Grand Avenue
Artesia, NM 88210

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 South Fourth Street, Artesia, NM 88210

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

660' FNL & 1,980' FWL (Unit C)
Section 33, T5S-R25E

Phone (include area code)

(305) 748-1111

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OCD - ARTESIA

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

N/A

8. Well Name and No.

Alkali Federal Com. #11

9. API Well No.

30-005-67100

10. Field and Pool, or Exploratory Area

Pecos Slope Abo

11. County or Parish, State

Chaves County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompletion in a new interval, a Form 31604 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 respectfully requests that a variance be granted to the stipulation in the APD that requires cement for the 8 5/8" intermediate casing (if set) to be circulated to surface. The 8 5/8" casing is set strictly to case off lost circulation. Cementing with a low volume of cement (250-300 sx) allows for a good cement job at the shoe (which is set in competent rock beneath the loss zone), which after set allows for the continuation of drilling without lost circulation. We see no need to circulate the string to surface, as there are no fresh water or oil or gas zones in the intermediate hole, just a potential lost circulation zone. If the lost circulation zone is not encountered cement is not required to be placed over this interval when cementing production casing. In short, we would like to cement the intermediate casing with 250 sx class C cement, estimated TOC is 950'. We also would like to change the 4 1/2" 11.6# J-55 ST&C casing to 4 1/2" 10.5# J-55 LT&C casing. Please see attached wellbore schematics for pictorial representation of this sundry notice. Sincerely,

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

Name (Printed/Typed)

Cory Frederick

Title

Drilling Engineer Asst. AUG 22 2001

Signature

Cory Frederick

Date

August 14, 2001

THIS SPACE FOR FEDERAL OR STATE USE

PETROLEUM ENGINEER

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)

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Typical North Pecos Slope well where lost circulation was encountered from 900'-1,600'



14 3/4" hole

POTENTIAL FRESH WATER SANDS 100'-400'

11 3/4" 42# H-40 casing @ 900' cemented
w/ 500 sx, cement circulated

TOC Estimated to be 950', could be more or less
depending on severity of loss zone.

POTENTIAL LOSS ZONE 900'-1,350'

11" hole

8 5/8" 24# J-55' set at 1,600', cemented in place with
150 sx class C

7 7/8" hole

TOC-3,100'

As you can see by the illustration here, lost circulation was encountered in the intermediate hole and cased off with 8 5/8" casing. As in the other wellbore sketch all critical zones (water, oil, and gas) still have cement covering them, thus there is clearly no real need to cement the 8 5/8" casing to surface. It is set just to case off the loss zone and simplify drilling. Further, due to the loss zone remedial cementing would probably be required. This is difficult because 1" tubing is hard to fit between the 11 3/4" and 8 5/8" casing strings. If perforations are used to bring cement to surface the burst integrity of the 8 5/8" casing would be affected.

POTENTIAL GAS PAYS 3,600'-4,100'

4 1/2" 10.5# J-55, cemented up to 3,100'.

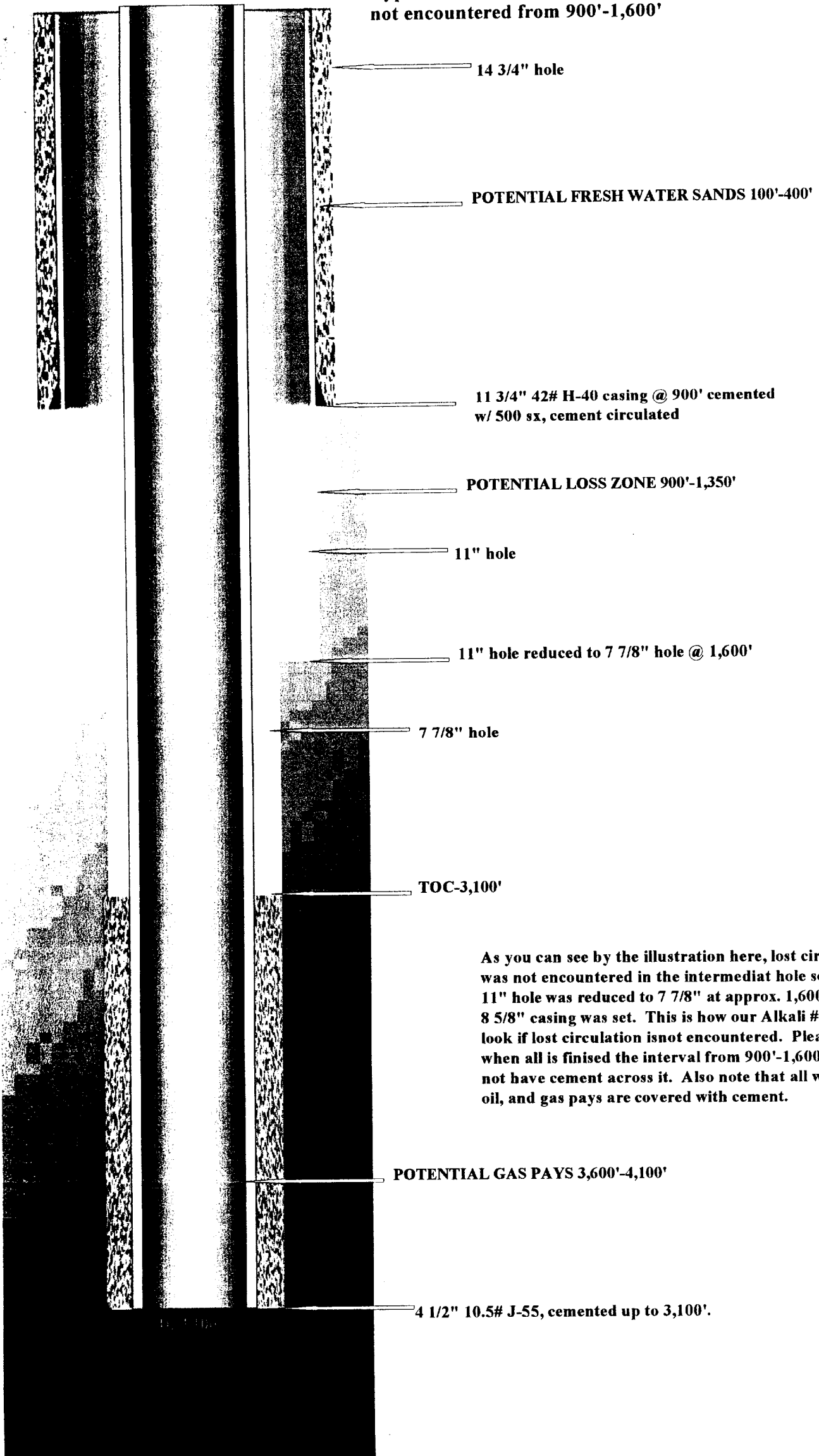
Prepared by Cory Frederick
Sketch not to scale.

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BUREAU OF LAND MGMT.
ROSSELL OFFICE

Typical North Pecos Slope well where lost circulation was not encountered from 900'-1,600'



As you can see by the illustration here, lost circulation was not encountered in the intermediate hole so the 11" hole was reduced to 7 7/8" at approx. 1,600'. No 8 5/8" casing was set. This is how our Alkali #11 will look if lost circulation is not encountered. Please note that when all is finished the interval from 900'-1,600' does not have cement across it. Also note that all water, oil, and gas pays are covered with cement.

Prepared by Cory Frederick
Sketch not to scale.

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