

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.

O. Cons.  
N.M. Div-Dist. 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)

1,980' FSL & 1,980' FEL  
Section 26, T6S-R25E

3b. Phone No. (include area code)

(505) 748-1474

5. Lease Serial No.

NM 15865

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

Cottonwood Federal #5

9. API Well No.

30-005-63448

10. Field and Pool, or Exploratory Area

Wildcat Basement

11. County or Parish, State

Chaves County, New Mexico

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 checked="" 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 recomplate 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 90 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160 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 respectfully requests to make the following changes this well.

Change Casing program/hole sizes from:

Hole size	Interval	Casing Size	#/sft	Grade	T&C
14 3/4"	0'-900'	11 3/4"	42#	H-40	ST&C
11**	0'-1,500'	8 5/8"	24#	J-55	ST&C
7 7/8"	0'-5,315'	5 1/2"	15.5#	J-55	LT&C
To:					
17 1/2"	0'-900'	13 3/8"	48#	H-40	ST&C
12 1/4**	0'-1,600'	9 5/8"	36#	J-55	ST&C
8 3/4"	0'-5,315'	5 1/2"	15.5#	J-55	LT&C--Please see additional sheets.

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

Name (Printed/Typed)

Cory Frederick

Title

Drilling Engineer Asst.

Signature

Cory Frederick

Date

March 1, 2002

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

RE

Title

RE

Date

3/28/02

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

RE

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.

BUREAU OF LAND MANAGEMENT  
ROSWELL OFFICE

2002 MAR 25 AM 10:05

RECEIVED

Page 2

Yates Petroleum Corporation

Cottonwood Federal #5—Casing/Hole size Sundry/Variance Request.

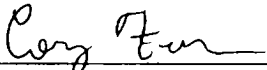
\*The 9 5/8" intermediate string will only be set if lost circulation is encountered from 900'-1,600'.

It is possible that 7" 26# J-55 LT&C casing will be set in place of 5 1/2" casing if multiple pay zones are encountered. This is why the wellbore has been redesigned to accommodate an 8 3/4" production hole.

Further, Yates Petroleum Corporation would like to ask for a variance to two of the stipulations in the APD. The first variance request is to the requirement to test the BOP as per Onshore Order #2 to 2,000 psi. Yates Petroleum Corporation would like to test the BOP to 1,000 psi with a rig pump, as has been done on the majority of wells in this area. The bottom hole pressure of wells in this area is usually below 2,100 psi, which would result in a shut in pressure on a partially evacuated hole of 930 psi. This would allow us to save the expense of calling out a 3<sup>rd</sup> party tester, while still verifying BOP integrity.

The second variance request is to the requirement to circulate cement to surface for the intermediate string if it is set. The reason for this is that this string of casing is strictly to case off lost circulation, not to protect fresh water or other formations. We prefer to "tack" the casing shoe with 200-250 sx of cement to seal off lost circulation so that drilling can resume. Due to the fact that this string is only set in a lost circulation situation, it would be difficult to circulate cement to surface without secondary cementing methods, as it is often difficult to circulate cement in a lost circulation environment. Further, if this string is not set the interval from 900'-1,600' would not be covered with cement anyway, as the TOC for the production string is 500' above the uppermost perforation.

Thank you,



---

Cory Frederick  
Drilling Engineer Asst.

RECEIVED  
2007 MAR 25 AM 10:05  
SUPERIOR COURT  
FOUNTAIN BLVD