

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. D. - Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

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 to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Base Serial No.
NMNM2351

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 S. 4TH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505-748-1471	8. Well Name and No. FEDERAL HY 12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T7S R25E NENW 990FNL 1980FWL		9. API Well No. 30-005-63503-00-X1
		10. Field and Pool, or Exploratory PECOS SLOPE
		11. County or Parish, and 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input 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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other Change to Original APD

13. Describe Proposed or Completed Operation (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.)

YPC wishes to change TD from 4200' Abo to 5190' Basement. Attached is the 8 point drilling plan revised showing the changes for geological tops, casing program, cementing program, mud program, expected BHP, and evaluation program. A new C-102 is also attached.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #16292 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Roswell Committed to AFMSS for processing by Armando Lopez on 11/21/2002 (03AL0055SE)	
Name (Printed/Typed) CLIFTON R. MAY	Title REGULATORY AGENT
Signature (Electronic Submission)	Date 11/20/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ARMANDO A LOPEZ	Title PETROLEUM ENGINEER	Date 11/21/20
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 Roswell		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

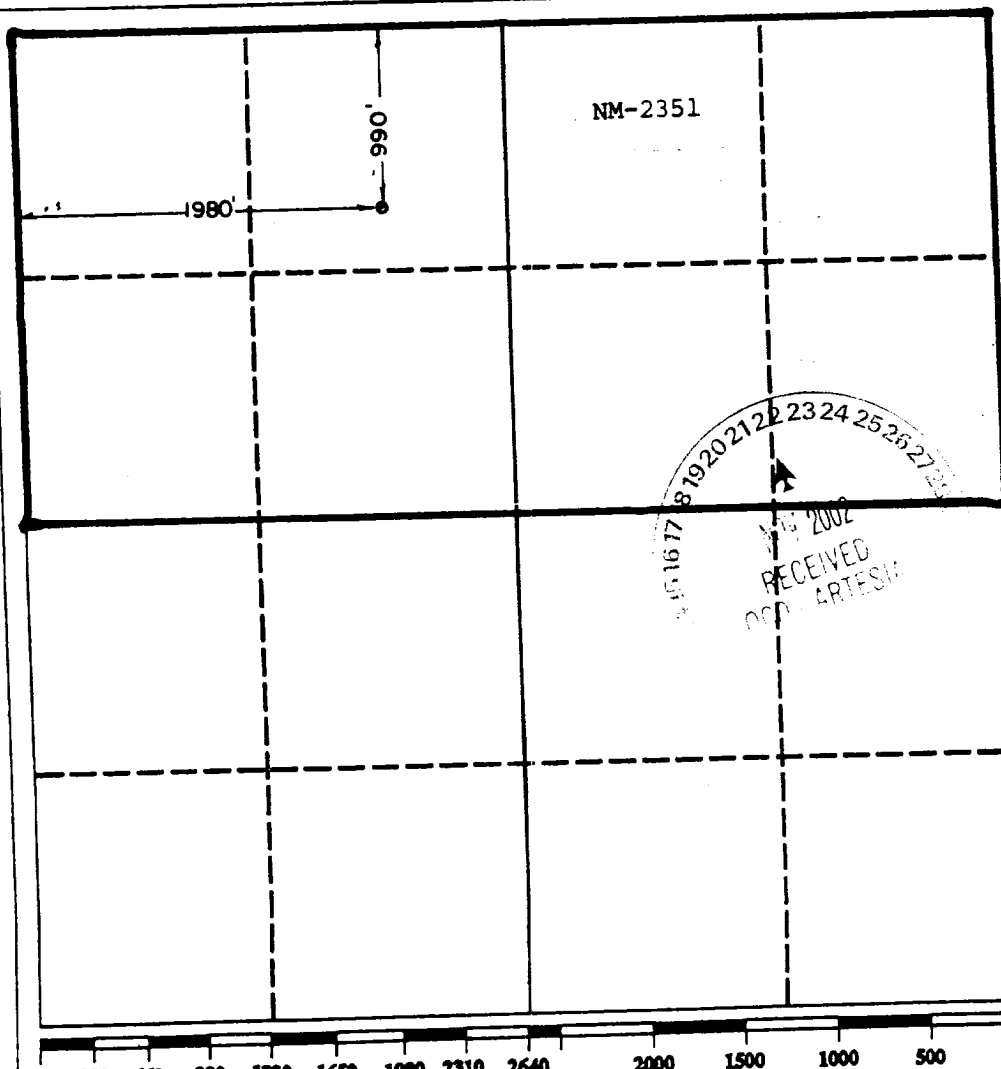
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease FEDERAL "HY"		Well No. 12
Unit Letter C	Section 28	Township 7 SOUTH	Range 25 EAST	County CHAVES	
Actual Footage Location of Well: 1980 feet from the WEST line and 990 feet from the NORTH line					
Ground level Elev. 3757	Producing Formation Pre-Cambrian		Pool Wildcat	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

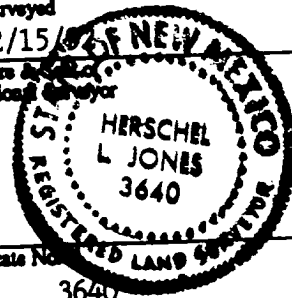
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Clifton R. May*
Printed Name **Clifton R. May**
Position **Regulatory Agent**
Company **Yates Petroleum Corporation**
Date **November 20, 2002**

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 knowledge and belief.

Date Surveyed **12/15/02**
Signature of Surveyor *Herschel L. Jones*
Professional Surveyor
Certificate No. **3640**



YATES PETROLEUM CORPORATION
Federal "HY" #12
 990' FNL and 1980' FWL
 Section 28-T7S-R25E
 Chaves County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	514'	Wolfcamp	4340'
Glorieta	1310'	Cisco	4850'
Yeso	1430'	Strawn	4960'
Tubb	2880'	Pre-Cambrian-Basement	5010'
Abo	3570'	Total Depth	5190'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	250'-300'
Gas:	3544'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 2000# BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14.75"	11.75"	42#	H-40	ST&C	0-900'	900'
*11"	*8.625	24#	J-55	ST&C	0-1500'	1500'
7.875"	5.5"	15.5#	J-55	LT&C	0-5190'	5190'

- Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
- * 8.625" casing to be set if lost circulation is encountered. If lost circulation is not encountered, the hole will be reduced to 7 7/8" at 1500'.
- Yates Petroleum Corporation requests that a variance be granted in requiring the casing and BOPE to be tested to 1500 psi to testing the casing and BOPE to 1000 psi. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 psi. We would have to go to the greater expense of hiring an independent service company to do the testing. Also, the bottom hole pressure in this field is proven to be near 1000 psi. A shut in BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

B. CEMENTING PROGRAM:

Surface Casing: Set with 350 sx Lite "C" (YLD 2.0 WT 12.5) Tail in with 200 sx "C" with 2% CaCL₂ (YLD 1.33 WT 14.8), circulated to surface.

***Intermediate Casing:** If needed will be set with 250 sx class "C" (YLD 1.32 WT 14.8)

Production Casing: Set with 500 sx Pecos Valley Lite "C" (YLD 1.34 WT 13.0) with cement being approximately 3000'

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbons zones are cemented off. Fill-up to be determined from logs.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-900'	FW Gel, Paper, LCM	8.6-9.6	32-36	N/C
900'-3500'	Cut Brine, Brine	9.0-10.2	28	N/C
3500'-TD'	S. Gel/Starch	9.3-10.2	32-340	<6/cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: CNL/LDT/NGT - TD to casing, w/ GR/CNL to surface, DLL-MSFL - TD to surface casing, BHC-Sonic-TD to Surface Casing, FMI-TD to top of Wolfcamp.

Coring: None anticipated. Maybe some sidewall
DST's: Any tests will be based on the recommendation of the well site geologist as warranted by breaks and shows. None planned.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0
From: 900'

TO: 900'

TO: 5190'

Anticipated Max. BHP: 400 PSI
Anticipated Max. BHP: 2500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well before the end of the year. It should take approximately 15 days to drill the well with completion taking another 15 days.