

UNITED STATES
New Mexico Oil Conservation Division, District 1
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1025 N. French Drive
Hobbs, NM 88240FORM 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.

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

3b. Phone No. (include area code)

(505) 748-1471

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

1880' FNL & 660' FEL; UL H; Section 25-T8S-R37E

5. Lease Serial No.

NM-96064

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No.

Walker BHQ Federal #1

9. API Well No.

30-041-20920

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Roosevelt 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 checked="" 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 checked="" type="checkbox"/> Other change
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	name
	<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 recompleat 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 Corporation wishes to change the name of this well to Walker BHQ Federal Com. #1. Yates wants to change the total depth of the well from 9800' to a new total depth of 11,490'. Yates will now test the Mississippian and the intermediate formations. Yates will change the spacing unit from 40 acres to 320 acres which will be the north half dedication. See the attached C-102. For the new casing, cement, and mud program, see the attached sheet.

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

Name (Printed/Typed)

Clifton R. May

Title

Regulatory Agent

Signature

Clifton R. May

Date

March 8, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

DAVID E. CLARK

PETROLEUM ENGINEER

Date

MAR 10 2006

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)

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87605

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-20920	Pool Code	Pool Name WALKER MISSISSIPPIAN
Property Code	Property Name WALKER "BHO" FEDERAL COM.	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3990

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	25	8S	37E		1880	NORTH	660	EAST	ROOSEVELT

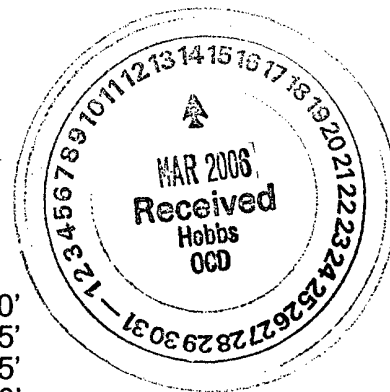
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					

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

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained hereto is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature CLIFTON R. MAY Printed Name REGULATORY AGENT Title MARCH 8, 2006 Date</p>
<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/13/2005 Date Surveyed</p> <p><i>Herschel L. Jones</i> Signature & Seal of Professional Surveyor HERSCHEL L. JONES NEW MEXICO 3640 Certification No. Herschel L. Jones NLS 3640 WALKER 1 GENERAL SURVEYING COMPANY</p>				

YATES PETROLEUM CORPORATION
Walker BHQ Federal Com. #1
 1880' FNL and 660' FEL
 Section 25-T8S-R37E
 Roosevelt County, New Mexico



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

Rustler	2335'	Abo	7630'
Yates	2865'	Wolfcamp	8975'
Seven Rivers	3000'	Three Brothers	9225'
Queen	3580'	Bough	9360'
Penrose	3710'	Cisco	9580'
Grayburg	3860'	Canyon	9845'
San Andres	4150'	Strawn	10705'
Glorieta	5530'	Atoka	11190'
Tubb	6890'	Mississippian	11390'
		TD	11490'

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

Water: 100' to 250'
 Oil or Gas: 9360', 11190', & 11390'

3. Pressure Control Equipment: BOPE will be installed on the 9 .625" casing and rated for 5000# 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.

4. 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.

5. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17.5"	13.375"	48#	H-40	ST&C	0-400'	400'
12.25"	9.625"	40#	J-55	ST&C	0-100'	100'
12.25"	9.625"	36#	J-55	ST&C	100-3200'	3100'
12.25"	9.625"	40#	HCK-55	LT&C	3200-4250'	1050'
8.75"	5.5"	17#	L-80	LT&C	0-2000'	2000'
8.75"	5.5"	17#	J-55	LT&C	2000-7600'	5600'
8.75"	5.5"	17#	HCP-110	LT&C	7600-11490'	3890'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. A 5,000 psi BOP will be nipped up on the 9.625" casing and tested to 5000 psi .

B. CEMENTING PROGRAM:

Surface Casing: 450 sx Class "C" + 2% CaCl₂ (YLD 1.35 WT 14.8).

Intermediate Casing: Lead 1150 sx Lite (YLD 2.04 WT 12.5) and tail in with 200 sx class "C" (YLD 1.33 WT 14.8). Cement circulated to surface.

Production Casing: 900 sx Interfill (YLD 2.68 WT 11.5). Tail in with 925 sx Super C (YLD 1.66 WT 13.0) Cement calculated to 3750'.

6. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-400	FW Gel	8.4-8.6	32-34	N/C
400-2335	Fresh Water	8.4-8.6	32-34	N/C
2335-4250	Red Bed Mud/Oil	10-10.4	32-34	N/C
4250-7600	Cut Brine	9.6-10.0	36-40	N/C
7600-11190	SGel/Starch	9.6-10	40	<40-60CC
11190-11490	SW Gel/Starch/4-6%	10	20	<20-20CC

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. Rig personnel will check mud hourly.

7. EVALUATION PROGRAM:

Samples: Every 10' from surface casing to TD

Logging: Platform Express: CNL/LDT/NGT--from TD to surface casing with GR-CNL up to surface; DLL/MSF—TD to surface casing; BHC/Sonic—TD to surface casing.

Coring: None anticipated

DST's: Any tests will be based on the recommendations of the well site geologist as warranted by drilling breaks and shows.

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

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 170 F

9. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after June 15th. It should take approximately 45 days to drill the well with completion taking another 20 days.

