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UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 04 2009

SUNDRY NOTICES AND REPORTS ON WELLS

HOBBS

Use Form 3160-3 (APD) for such proposals.
abandoned well. Use Form 3160-3 (APD) for such proposals.

NM Oil Cons. Division

1625 N. French Dr.

Hobbs, NM 88240

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

5. Lease Serial No. **NM-105886 (SHL)**

V-8072 (State BHL)

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Ninja BMN State Com. #1H

9. API Well No.

30-005-29083

10. Field and Pool, or Exploratory Area

Wildcat Wolfcamp

11. County or Parish, State

Chaves County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation 025575

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)

990' FNL and 200' FEL Surface Hole Location

370' FNL and 330' FEL Bottom Hole Location

Section 11, T15S-R31E

12. CHECK THE 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 checked="" type="checkbox"/> Other change
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	drilling plans &
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	casing, etc.

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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 parts of its drilling plans. See attached C-102 with new Penetrator point of 966' FNL & 379' FEL. Also attached are new diagrams showing the drilling of the lateral. Attached is a new drilling plan addressing the hole sizes, casing sizes, etc.

Thank you.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Clifton R. May

Title

Regulatory Agent / Land Department

Signature

Clifton R. May

Date

February 2, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/S/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

FEB 02 2009

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 FIELD 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 II
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Revised October 12, 2005

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

OIL CONSERVATION DIVISION

**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505**

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name WILDCAT WOLFCAMP
Property Code	Property Name NINJA "BMN" STATE COM		Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.		Elevation 4386'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	15 S	31 E		990	NORTH	200	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No. D	Section 11	Township 15 S	Range 31 E	Lot Idn	Feet from the 370	North/South line NORTH	Feet from the 330	East/West line WEST	County CHAVES
Dedicated Acres 160	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**

		<h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right; font-size: 1.2em;">Clifton R. May 2/2/09</p> <p>Signature _____ Date _____</p> <p style="text-align: center; font-size: 1.2em;">CLIFTON R. MAY</p> <p>Printed Name _____</p>	
<p>PRODUCER AREA</p> <p>BOTTOM HOLE LOCATION</p> <p>Lat - N33°02'12.10"</p> <p>Long - W103°47'59.46"</p> <p>SPC- N.: 741299.001</p> <p>E.: 704823.620</p> <p>(NAD-83)</p>	<p>PRODUCING AREA</p>	<p>PENETRATION POINT</p> <p style="font-size: 1.2em;">966'N</p> <p style="font-size: 1.2em;">379'E</p>	<p>SURFACE LOCATION</p> <p>Lat - N33°02'06.15"</p> <p>Long - W103°47'03.71"</p> <p>SPC- N.: 740722.556</p> <p>E.: 709572.818</p> <p>(NAD-83)</p>

<h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <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 style="text-align: right; font-size: 1.2em;">JULY 8, 2008</p> <p>Date Surveyed _____</p> <p>Signature of _____</p> <p>Professional Surveyor _____</p>		<div style="text-align: center;"> </div>	

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

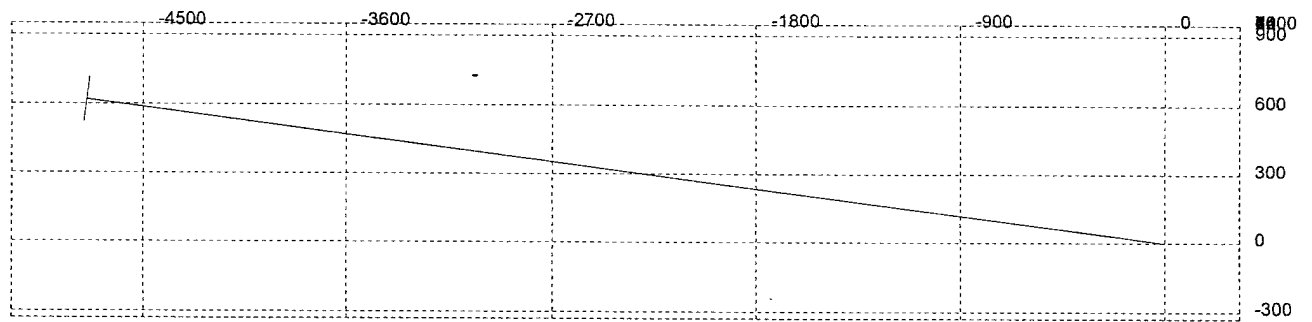
M.D.	Inclination	Azimuth	T.V.D.	N/W/S	E/W/W	D.L.S.	ToolFace	T.F. Ref. (HS/GN)	
0	0	0	0	0	0	0			
2,430	0	0	2,430	0	0	0			YATES
2,680	0	0	2,680	0	0	0			SEVEN RIVERS
3,234	0	0	3,234	0	0	0			QUEEN
3,310	0	0	3,310	0	0	0			GRAYBURG
3,947	0	0	3,947	0	0	0			SAN ANDRES
5,456	0	0	5,456	0	0	0			GLORIETA
6,778	0	0	6,778	0	0	0			TUBB
7,483	0	0	7,483	0	0	0			ABO
8650	0	0	8650	0	0	30	277	GN	KOB
8650	0	0	8650	0	0	30	277	GN	
8660	3	277.44	8660	0.03	-0.26	30	0	HS	
8670	6	277.44	8669.96	0.14	-1.04	30	0	HS	
8680	9	277.44	8679.88	0.3	-2.33	30	360	HS	
8690	12	277.44	8689.71	0.54	-4.14	30	360	HS	
8700	15	277.44	8699.43	0.84	-6.45	30	360	HS	
8710	18	277.44	8709.02	1.21	-9.27	30	0	HS	
8720	21	277.44	8718.44	1.64	-12.58	30	0	HS	
8730	24	277.44	8727.68	2.14	-16.37	30	360	HS	
8740	27	277.44	8736.71	2.69	-20.64	30	0	HS	
8750	30	277.44	8745.49	3.31	-25.37	30	0	HS	
8760	33	277.44	8754.02	3.99	-30.55	30	360	HS	
8770	36	277.44	8762.26	4.72	-36.17	30	360	HS	
8780	39	277.44	8770.19	5.51	-42.2	30	360	HS	
8790	42	277.44	8777.8	6.35	-48.64	30	0	HS	
8800	45	277.44	8785.05	7.24	-55.47	30	0	HS	WOLFCAMP
8810	48	277.44	8791.93	8.18	-62.66	30	0	HS	
8820	51	277.44	8798.43	9.16	-70.2	30	360	HS	
8830	54	277.44	8804.51	10.19	-78.07	30	0	HS	
8840	57	277.44	8810.18	11.26	-86.24	30	0	HS	
8850	60	277.44	8815.4	12.36	-94.69	30	0	HS	
8860	63	277.44	8820.17	13.5	-103.4	30	360	HS	
8870	66	277.44	8824.48	14.66	-112.35	30	0	HS	
8880	69	277.44	8828.3	15.86	-121.51	30	360	HS	
8890	72	277.44	8831.64	17.08	-130.86	30	0	HS	
8900	75	277.44	8834.48	18.32	-140.36	30	0	HS	
8910	78	277.44	8836.81	19.58	-150.01	30	0	HS	
8920	81	277.44	8838.64	20.85	-159.75	30	360	HS	
8930	84	277.44	8839.94	22.14	-169.58	30	0	HS	
8940	87	277.44	8840.73	23.43	-179.47	30	360	HS	PAY ZONE
8950	90	277.44	8840.99	24.72	-189.38	30	0	HS	
8950.05	90.01	277.44	8840.99	24.72	-189.42	30	360	HS	
13549.31	90.01	277.44	8840	620	-4750	0			LATERAL TD

Pilot hole will be drilled to 9080'. Well will then be plugged back and kicked off at approx. 8650' at 30 degrees per 100' with a 6 1/8" hole to 13550' MD with a TVD of 8,840' at TD. Penetration point of producing zone will be encountered at 966' FNL and 379' FEL, 11-15S-31E. Deepest TVD in the well is 9080' in the pilot hole. Deepest TVD in the lateral is 8840.99'.

3D³ Directional Drilling Planner - 3D View

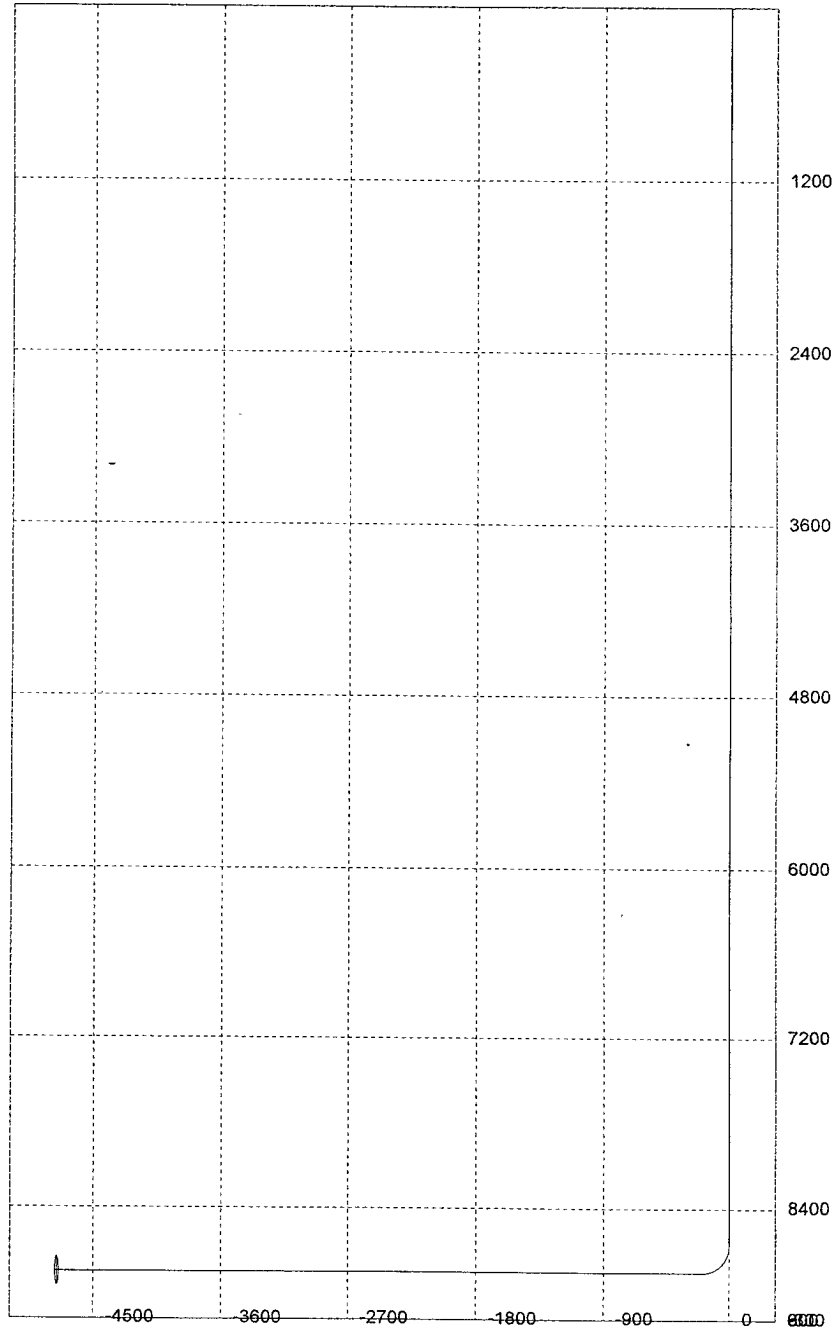
Company: Yates Petroleum Corporation

Well: Ninja BMN State Com. #1H



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Ninja BMN State Com. #1H



YATES PETROLEUM CORPORATION

Ninja BMN State Com. #1H

990' FNL and 200' FEL, Section 11-T15S-R31E (Surface Hole Location)

370' FNL and 330' FWL, Section 11-T15S-R31E (Bottom Hole Location)

Chaves County, New Mexico

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

Yates	2430'	Glorieta	5456'
Seven Rivers	2680'	Tubb	6778'
Queen	3234' Oil/Gas	ABO	7483' Gas
Grayburg	3310' Oil	Wolfcamp	8785' Oil
San Andres	3947' Oil	TVD	9080'
		TMD	13550'

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

Water: 260'

Oil or Gas: Queen, Grayburg, San Andres, ABO, and Wolfcamp

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000 psi 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>Thread</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-400'	400'
12 1/4"	9 5/8"	40#	J-55	ST&C	0-100'	100'
12 1/4"	9 5/8"	36#	J-55	ST&C	100-3200'	3100'
12 1/4"	9 5/8"	40#	J-55	ST&C	3200-4050'	850'
8 3/4"	7"	26#	L-80	LT&C	0-100'	100'
8 3/4"	7"	26#	J-55	LT&C	100-8000'	7900'
8 3/4"	7"	26#	L-80	LT&C	8000-9080'	1080'
6 1/8"	4 1/2"	11.6#	HCP-110	BT	8150-8950'	800'
6 1/8"	4 1/2"	11.6#	HCP-110	LT&C	8950-13550'	4600'
					TVD 8840'	
					MD 13550'	

Pilot hole will be drilled to 9080'. Well will then be plugged back and kicked off at approx. 8650' at 30 degrees per 100' with a 6 1/8" hole to 13550' MD with a TVD of 8840' at TD. The penetration point of producing formation will be encountered at 968' FNL & 379' FEL, Section 11, T15S-R31E. Deepest TD of the well will be in the pilot hole @ 9080'. The deepest TVD in the lateral will be 8840.99'.

Ninja BMN Federal #1H
Page Two

Minimum Casing Design Factors: Burst 1.0, Tensile Strength 1.8, Collapse 1.125

B. CEMENTING PROGRAM:

Surface Casing: 425 sacks "C" + 2% CaCL₂ (WT 14.80 YLD 1.34). Cement to surface.

Intermediate Casing: 1100 sacks C Lite (Wt 12.50 YLD 2.04). Tail in with 200 sacks "C" + 2% CaCL₂ (WT 14.80 YLD 1.33) Cement to surface.

Production Casing: Lead with 650 sack 50:50:10C (WT 11.60 YLD 2.43). Tail in with 260 sacks 50:50:4C (WT 13.00 YLD 1.40). Cement to 3550.

Production Casing: Lateral. No cement. YPC will use a peak completion assembly.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud-400'	Fresh Water Gel	8.60-9.00	32-34	N/C
400'-4050'	Brine Water	10.0-10.20	28-28	N/C
4050'-7400'	Cut Brine	8.70-9.20	28-28	N/C
7400'-9080'	Cut Brine	8.70-9.20	28-28	<10-15cc
8650'-13550'	Cut Brine	8.70-9.20	28-28	<10-12cc

(Lateral Section)

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' from intermediate casing to TD.

Logging: Platform Express; CNL/LDT/NGT TD to intermediate casing, CNL/GR TD to surface, DLL-MSFL TD to surface casing, BHC-Sonic TD to surface casing.

Coring: None anticipated.

DST's: None anticipated.

Mudlogging: Yes

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

Anticipated BHP:

From: 0	TO 400' TVD	Anticipated Max. BHP: 190	PSI
From: 400'	TO 4050' TVD	Anticipated Max. BHP: 2150	PSI
From: 4050'	TO 9080' TVD	Anticipated Max. BHP: 4350	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 120° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 45 days to drill the well with completion taking another 30 days.