BURI	UNITED STATES ARTMENT OF THE PER EAU OF LAND MANAG NOTICES AND REPORTS	ERIOR Graf	art Avonia		
	form for proposals to			If Indian, Allottee or Tribe Name	
	Use Form 3160-3 (APD)			Not Applicable	
	ICATE – Other instruc		e side	If Unit or CA/Agreement, Name and/o	
 Type of Well Oil Well Gas Well 	Other	REC	EIVED 8	Not Applicable	
2. Name of Operator				verette OO Federal #11 (12233)	
Yates Petroleum Corporatio	n (25575)	Obd-4	‴ິ້ (00) ⊢	. API Well No.	
3a. Address		Phone No. (include area Folger		0-005-63724	
105 South Fourth Street, Art		(505) 748-1471	10). Field and Pool, or Exploratory Area	
4. Location of Well (Footage, Sec.,				Wildcat PreCambrian	
1980' FSL and 1980' FWL, I	Jnit K			1. County or Parish, State	
Section 26, T5S-R24E				Chaves County, New Mexico	
12. CHECK APPRC	PRIATE BOX(ES) TO INDI	CATE NATURE OF	NOTICE, REPOR	T, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE	OF ACTION		
Notice of Intent	Acidize	Deepen Fracture Treat	Production (S Reclamation	Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete	Abandon APD	
Final Abandonment Notice	Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily A		
 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 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.) Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to August 06, 2006 A drilling pit has been/will be constructed at this well site under Yates Petroleum 					
Corporation general plan approved by the OCD. Approved C144 attached. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Precambrian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.					
CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES CX- GIGALETS					
14. I hereby certify that the toregoin Name (Printed/Typed) Debbie L. Caffall / (g is true and correct	Title	latory Technicia	n / Land Department	
Signature D- C	°. 00-00	Date	······································		
N LOGE V.V	THIS SPACE FO	R FEDERAL OR ST/	July 21	, 2000	
Approved by $\bigwedge $		Title 1		Date / /	
Conditions of approval, if any, are attached certify that the applicant holds legal or equ	uitable title to those rights in the subj	rarrant or Office	.)	B/25/05	
which would entitle the applicant to condu-	ct operations thereon.				

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 intitious or fraudulent statements or representations as to any matter within its jurisdiction.

strict I	
25 N. French Dr., Hobbs, NM 88240	
District II	
1301 W. Grand Avenue, Artesia, NM 88210	
District III	
1000 Rio Brazos Road, Aztec, NM 87410	
District IV	
1220 S. St. Francis Dr., Santa Fe, NM 87505	

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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For drilling and production facilities, submit to appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe office

105 South Fourth Street, Artesia, NM 88210

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes CheckBoxl

Type of action: Registration of a pit or below-grade tank X Closure of a pit or below-grade tank

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@ypcnm.com

Address: 104 South 4th Street, Artesia, New Mexico 88210

Facility or well name: Everette OO Federal #11 ____API #: _____U/L or Qtr/Qtr_NESW_Sec_ 26 ___T 5S __R 24E___

Longitude ______ NAD: 1927 🗋 1983 🗋 Surface Owner: Federal 📩 State 🗖 Private 🗍 Indian 🗍 County: _Chaves_ Latitude

<u>Pit</u>	Below-grade tank		
Type: Drilling 🙀 Production 🗋 Disposal 🗋	Volume:bbl Type of fluid:		
Workover 🔲 Emergency 🗌	Construction material:		
Lined 🖄 Unlined 🔲	Double-walled, with leak detection? Yes 🔲 If not, explain why not.		
Liner type: Synthetic Thickness <u>12</u> mil Clay 🗋 Volume			
bbl			
	Less than 50 feet	(20 points)	······································
Depth to ground water (vertical distance from bottom of pit to seasonal high	50 feet or more, but less than 100 feet	(10 points)	
water elevation of ground water.)	-100 feet or more	(0 points)	
	Yes	(20 points)	RECEIVED
Wellhead protection area: (Less than 200 feet from a private domestic	No	(0 points)	
water source, or less than 1000 feet from all other water sources.)			NOV 0 1 2004
	Less than 200 feet	(20 points)	OBB-ARTEBIA
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet 1000 feet or more	(10 points)	00-
irrigation canals, ditches, and perennial and ephemeral watercourses.)		(0 points)	
	Ranking Score (Total Points)	0	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite 🗌 offsite 🔲 If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end

date. (4) Groundwater encountered: No 🗌 Yes 🔲 If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a

diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. Larther certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [2], or an (attached) alternative OCD-approved plan []. Date: 10/29/2004 Signatul

Printed Name/Title _ Robert Asher/Regulatory Agent

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Date:	D	<u> </u>
Printed Name/Title	<u> </u>	Signature
,		

EXHIBIT A

1

Operator: <u>Yates Petroleum Corporation</u> BLM Serial Number: <u>NM-28297</u> Well Name & NO.: <u>Everette "OO" Federal #11</u> Location: <u>Section 26, T. 5 S., R. 24 E.</u> <u>1980' FSL & 1980' FWL, Chaves County, N.M.</u>



WELL DRILLING REQUIREMENTS

3 of 5 pages

III. DRILLING OPERATION REQUIREMENTS:

A. GENERAL DRILLING REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272, in sufficient time for a representative to witness:

A. Spudding B. Cementing casing: <u>11¼</u> inch <u>8½</u> inch <u>5½</u> inch C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

B. CASING:

1. The _11³/4_ inch surface casing shall be set at _900' and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the $\frac{8\%}{2}$ inch intermediate casing if run is with sufficient amount of cement bring it up at least 200 above shoe.

3. The minimum required fill of cement behind the <u>5¹/2</u> inch production casing is <u>cement shall extend upward a minimum of 500</u> <u>feet above the uppermost perforation</u>.

C. PRESSURE CONTROL:

All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No.
 The BOP and related equipment shall be installed and operational before drilling below the <u>11%</u> inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

a. The results of the test shall be reported to the appropriate BLM office.

b. Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.

c. Testing must be done in a safe workman-like manner. Hard line connections shall be required.

d. BOPE shall be tested before drilling into the Wolfcamp formation.

D. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- a. Recording pit level indicator to indicate volume gains and losses.
- b. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- c. Flow-sensor on the flow-line to warn of abnormal mud returns from the well.