

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter 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 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

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

1650'FNL & 1650'FWL of Section 13-T22S-R23E (Unit F, SENW)

5. Lease Serial No.

NM-059077

6. If Indian, Allottee or Tribe Name

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

SW322

8. Well Name and No.

HOC Federal Com #1

9. API Well No.

30-015-10721

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn

11. County or Parish, State

Eddy 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 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 type="checkbox"/> Change Plans | <input checked="" 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 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 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 plans to plug and abandon this well as follows:

1. Rig up all safety equipment as needed. RIH with GR and JB to 7600' (just above parted casing).
2. Set 5-1/2" cement retainer at 7600'. Pump 50 sx cement into formation, leaving 25' cement on top of retainer.
3. Perforate casing at 6821'. If injection rate can be established, pump 30 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx cement from 6821'-6722' inside casing.
5. Perforate casing at 3550'. If injection rate can be established, pump 30 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx cement from 3550'-3450' inside casing.
6. Perforate casing at 2344'. If injection rate can be established, pump 30 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx cement from 2344'-2244' inside casing. Tag plug.
7. Perforate casing at 2190'. If injection rate can be established, pump 30 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx cement from 2190'-2090' inside casing.
8. Perforate casing at 259'. If injection rate can be established, pump 70 sx cement leaving cement in and out of casing. If injection rate cannot be established, spot 30 sx cement from 259' to surface inside casing.
9. Cut off wellhead and install marker. Clean up location as per regulations and release equipment.

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

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

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

September 20, 2005

APPROVED

SEP 23 2005

IPS BABYAK
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

**Accepted for record
NMOC**

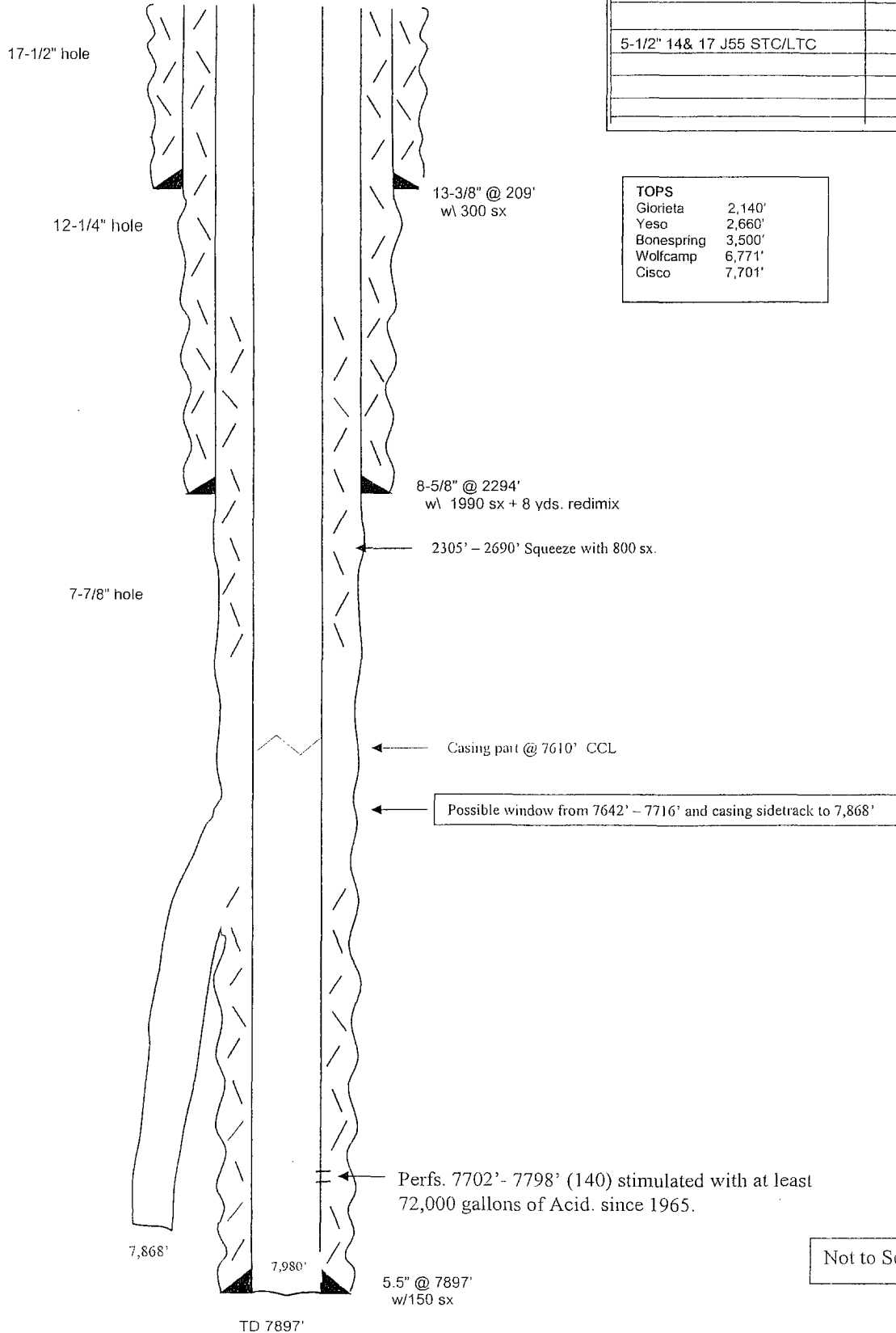
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

WELL NAME: HOC Federal No. 1 FIELD: Indian Basin
 LOCATION: 1650' FSL & 2310' FWL Sec 22-23S-24E Eddy County NM
 GL: 3679' ZERO: KB: 3689'
 SPUD DATE: COMPLETION DATE:
 COMMENTS: Cumulative Production > 8.1 BCF and 54 MBO

CASING PROGRAM

| | |
|---------------------------|-------|
| 13-3/8" 36.5# | 209' |
| 8-5/8" 24# J55 ST&C | 2294' |
| 5-1/2" 14& 17 J55 STC/LTC | 7897' |

BEFORE



| TOPS | |
|------------|--------|
| Glorieta | 2,140' |
| Yeso | 2,660' |
| Bonespring | 3,500' |
| Wolfcamp | 6,771' |
| Cisco | 7,701' |

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Not to Scale

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AFTER

17-1/2" hole

12-1/4" hole

7-7/8" hole

Circulate Cement to surface from 259' in and out of casing (TAG PLUG)

13-3/8" @ 209'
w/ 300 sx

100' cement plug in and out of casing at 2,190' - 2,090'

100' cement plug in and out of casing at 2,344' - 2,244' (TAG PLUG)

8-5/8" @ 2294'
w/ 1990 sx + 8 yds. redimix

100' cement plug in and out of casing at 3,550' - 3,450'

2305' - 2690' Squeeze with 800 sx.

100' cement plug in and out of casing at 6,821' - 6,721'

CMT Retainer @ 7,600' with 50 sx cmt

Casing part @ 7610' CCL

Possible window from 7642' - 7716' and casing sidetrack to 7,868'

Perfs. 7702' - 7798' (140) stimulated with at least 72,000 gallons of Acid. since 1965.

7,868'

7,980'

5.5" @ 7897'
w/150 sx

TD 7897'

Not to Scale

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