Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

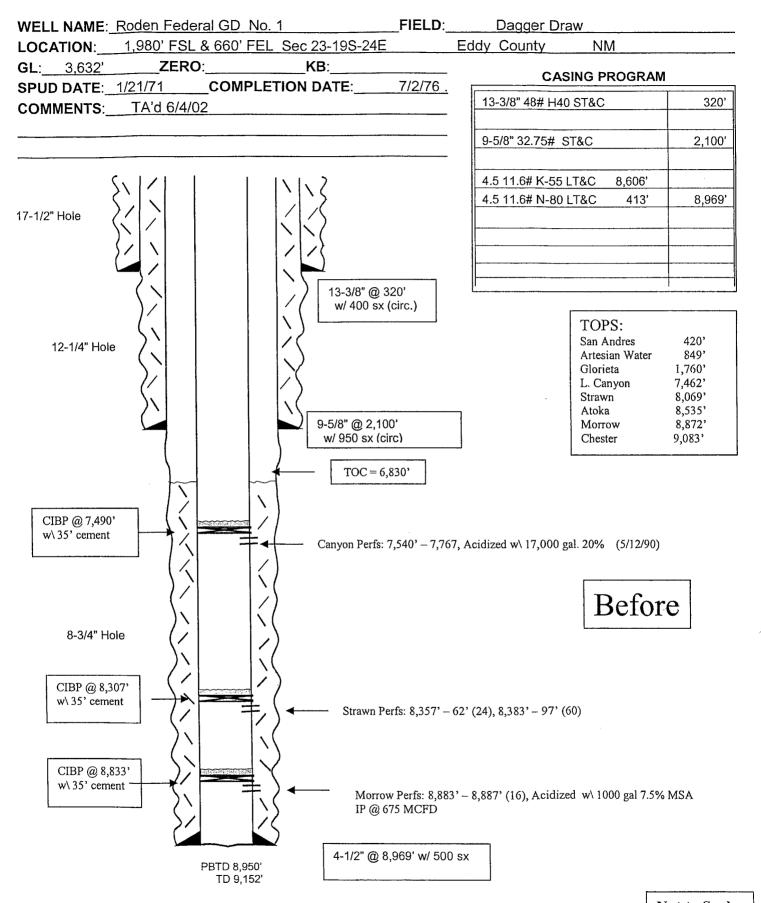
FORM APPROVED OMB No. 1004-0135 Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

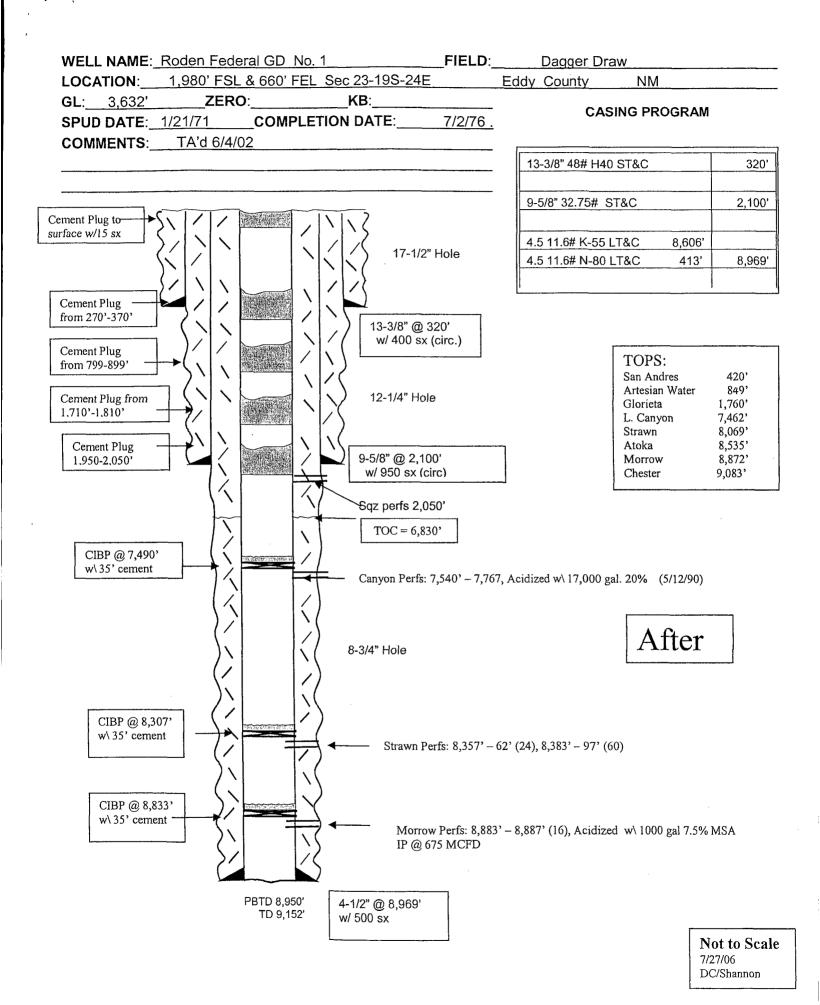
Do not use this form for proposals to drill or recenter an RECEIVED abandoned well. Use Form 3160-3 (APD) for such proposal ARTESIA				NM-	NM-26864 6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Of	her instruction	က်န်ကွာn reverse	side N	7. If U	nit or CA/Agreen	nent, Name and/or No.	
SUBMIT IN TRIPLICATE - Other instruction son reverse side					1 NM 72009		
Oil Well X Gas Well Other					8. Well Name and No.		
2. Name of Operator					Roden GD Federal #1		
Yates Petroleum Corporation					9. API Well No.		
3a. Address	·	ne No. (include area code)			30-015-20370		
105 S. 4th Str., Artesia, NM 88210	505-748-14	505-748-1471			10. Field and Pool, or Exploratory Area Hoag Tank-Morrow Strawn		
4. Location of Well (Footage, Sec., T., R., M., OR Survey De							
4000 F0 9 000 FF of Cookies 22 T400	NECE)				11. County or Parish, State		
1980'FSL & 660'FEL of Section 23-T19S-R24E (Unit I, NESE) 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, RE					EDORE OR OTHER DATA		
	(E2) IO INDI				1, OR OTHE	ERDATA	
TYPE OF SUBMISSION	ISSION TYPE OF ACTION						
Acidi	se .	Deepen		Production (Start/Re	esume)	Water Shut-Off	
	Casing	Fracture Treat		Reclamation		Well Integrity	
		듬			F	Ī	
Subsequent Report	g Repair	New Construction	<u> </u>	Recomplete	L	Other	
	ge Plans	X Plug and Abandor	· []	Temporarily Abando	on		
Final Abandonment Notice Conv	ert to Injection	Plug Back		Water Disposal			
If the proposal is to deepen directionally or recomplete horizonta Attach the Bond under which the work will be performed or pro following completion of the involved operations. If the operation testing has been completed. Final Abandonment Notices shall determined that the site is ready for final inspection.) Yates Petroleum Corporation plans to plut 1. Rig up safety trailer as necessary. 2. Perforate squeeze holes in the casing a 3. Spot 100' cement plug (25 sx) from 1984. Spot 100' cement plug (25 sx) from 1795. Spot 100' cement plug (25 sx) from 7986. Spot 100' cement plug (25 sx) from 7986. Spot 100' cement plug (25 sx) from 2706.	wide the Bond No. on a results in a multiple of the filed only after all the filed only after al	file with BLM/BIA. Requision or recompletion or recompletion requirements, including recompletion this well as fo	ired subseque on in a new interestation, has obtained by the control of the contr	nt reports shall be fli erval, a Form 3160-4 re been completed, ar	iled within 30 days, shall be filed once nd the operator has	oted for recor	
7. Spot 100' cement plug (25 sx) from 100' to surface. Tag plug.							
8. Install dry hole marker and clean up loc			COl	NDITION	IS OF AF	PPROVAL	
NOTE: Yates Petroleum Corporation will	use steel pits	and no earth p	its				
14. I hereby certify that the foregoing is true and correct							
Name <i>(Printed/Typed)</i> Tina Huerta	Title D	Title Regulatory Compliance Supervisor					
- Individual Control		True IV	ogulatoi y	Compliance	Oupoi visoi	· · · · · · · · · · · · · · · · · · ·	
Signature (Sina) went		Date D	ecember	20, 2006	AP	PROVED	
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Title 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 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willbully to make to any department of the UKING AM

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Not to Scale 7/27/06 DC/Shannon



Roden GD Federal #1 Yates Petroleum Corporation Plug and Abandon Procedure December 27, 2006 Conditions of Approval

Note: Aplomado Falcon Grasslands in this area. Surface disturbance not to exceed existing location without notifying the BLM Carlsbad Field Office.

Step 1 Ok

Step 1a Plug required top of Wolfcamp (5375'). Perforate casing at 5425' and squeeze leaving 100' plug inside and outside casing. Plug to be a minimum of 100' with 10% slurry for each 1000' of depth. Minimum requirement by NMOCD is 25 sacks.

Step 1b Plug required top of Abo (3980'). Perforate casing at 4030' and squeeze leaving 100' plug inside and outside casing. Plug to be a minimum of 100' with 10% slurry for each 1000' of depth. Minimum requirement by NMOCD is 25 sacks.

Step 2 Perforate casing at 2150'.

Step 3 Plug to extend from 2050 - 2150, if cement does not circulate to surface on annulus, the following steps will also require perforating and squeezing.

Step 4 Ok, unless cement did not circulate to surface on Step 3. If cement did not circulate, perforate casing at 1810' and squeeze.

Step 5 Ok, unless cement did not circulate to surface on Step 3. If cement did not circulate, perforate casing at 899' and squeeze.

Step 6 Ok, unless cement did not circulate to surface on Step 3. If cement did not circulate, perforate casing at 370' and squeeze. Tag plug.

Step 7 Ok, unless cement did not circulate to surface on Step 3. If cement did not circulate, perforate casing at 100' and squeeze. This plug does not have to be tagged.

Step 8 Ok.

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 505-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 505-627-0272; Eddy County, call 505-234-5972; Lea County, call 505-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs/gal with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs/gal with 4.3 gallons of fresh water per sack.

- 6. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.