

UNITED STATES **N.M. OIL CONSERVATION DIVISION**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
811 S. FIRST STREET
ARTESIA, NM 88210FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

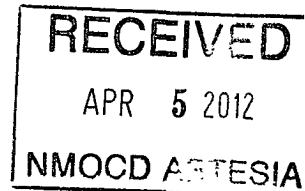
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM29416
2. Name of Operator YATES PETROLEUM CORPORATION-Email: scoll@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-1471	7. If Unit or C/A Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T8S R25E NESE 1980FSL 660FEL		8. Well Name and No. MILNER FEDERAL 1
		9. API Well No. 30-005-61137-00-S1
		10. Field and Pool, or Exploratory PECOS SLOPE-ABO
		11. County or Parish, and State CHAVES COUNTY, NM

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.)

1. MIRU any safety equipment necessary. No casing recovery will be attempted. TOOH with 2 7/8 inch production string.
2. Spot 25 SX Class C cement plug from 3,469 feet to 3,718 feet. This puts a 249 foot cement plug across the Abo perms and across the top of the Abo.
3. Perforate and spot 70 SX Class C cement plug from 1,151 feet to 1,446 feet. This puts a 295 foot cement plug across the intermediate casing shoe and across the top of the Glorieta, outside and inside casing. WOC and tag plug.
4. Perforate and spot 25 SX Class C cement plug from 607 feet to 707 feet. This puts a 100 foot plug across the surface casing shoe. WOC and tag plug.
5. Perforate and spot 15 SX Class C cement plug from 60 feet up to the surface, outside and inside casing.
6. Remove all surface equipment, weld dry hole marker and clean location as per regulations.



14. Thereby certify that the foregoing is true and correct.

**Electronic Submission #134360 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Roswell
Committed to AFMSS for processing by DAVID GLASS on 03/30/2012 (12DG0206SE)**

Name (Printed/Typed) SHARON COLL

Title REGULATORY REPORTING TECH

Signature (Electronic Submission)

Date 03/30/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS

Title PETROLEUM ENGINEER

Date 03/30/2012

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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******APPROVED FOR 3 MONTH PERIOD
ENDING JUN 30 2012****SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Revisions to Operator-Submitted EC Data for Sundry Notice #134360

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	ABD NOI	ABD NOI
Lease:	NMNM29416	NMNM29416
Agreement:		
Operator:	YATES PETROLEUM CORPORATION 105 SOUTH FOURTH STREET ARTESIA, NM 88210 Ph: 575-748-1471	YATES PETROLEUM CORPORATION 105 SOUTH 4TH STREET ARTESIA, NM 88210
Admin Contact:	SHARON COLL REGULATORY REPORTING TECH E-Mail: scoll@yatespetroleum.com Ph: 575-748-1471	SHARON COLL REGULATORY REPORTING TECH E-Mail: scoll@yatespetroleum.com Ph: 575-748-1471
Tech Contact:	SHARON COLL REGULATORY REPORTING TECH E-Mail: scoll@yatespetroleum.com Ph: 575-748-1471	SHARON COLL REGULATORY REPORTING TECH E-Mail: scoll@yatespetroleum.com Ph: 575-748-1471
Location:		
State:	NM	NM
County:	CHAVES	CHAVES
Field/Pool:	PECOS SLOPE ABO	PECOS SLOPE-ABO
Well/Facility:	MILNER FEDERAL 1 Sec 8 T8S R25E NESE 1980FSL 660FEL	MILNER FEDERAL 1 Sec 8 T8S R25E NESE 1980FSL 660FEL

WELL NAME: Milner Fed #1 FIELD: Pecos Slope Abo

LOCATION: 1980' FSL & 660' FEL of Section 8-8S-25E Chaves Co., NM

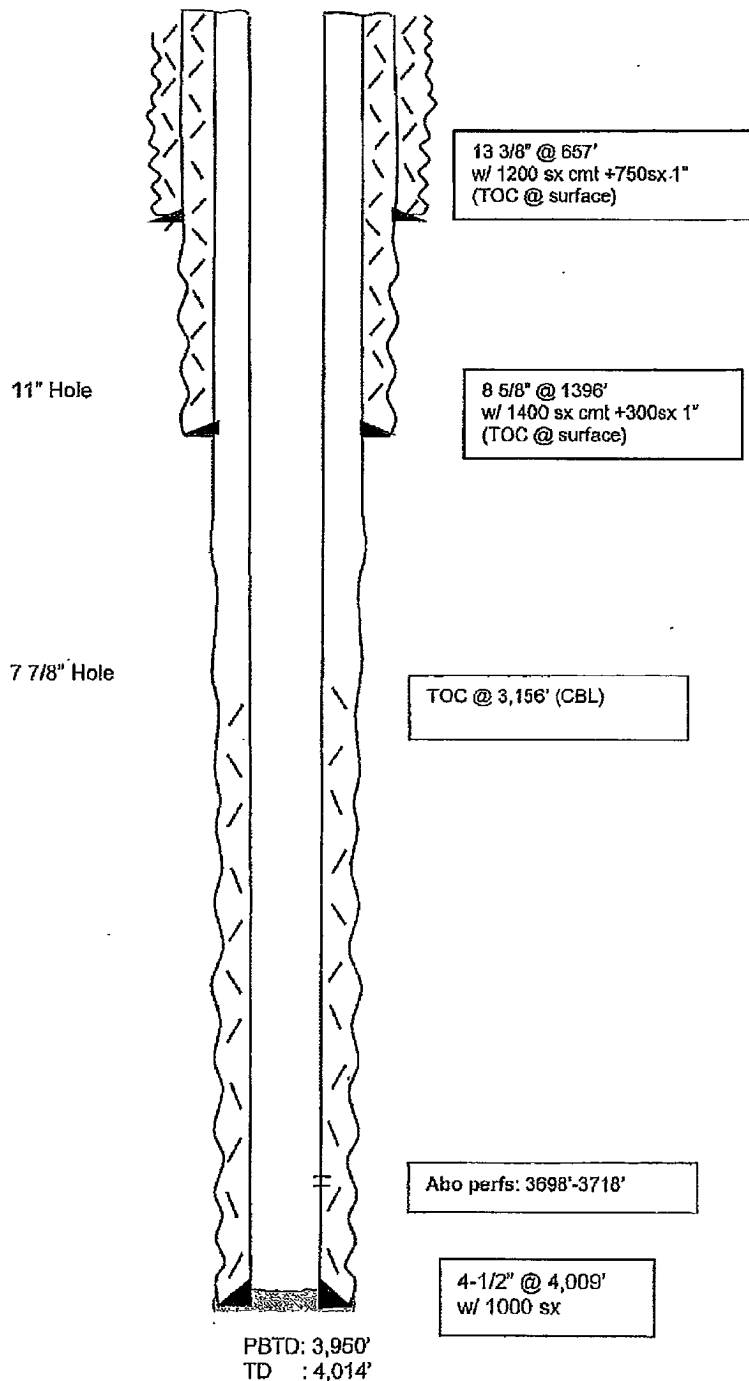
GL: 3600.4' GR ZERO: _____ KB: _____

SPUD DATE: 10/8/81 COMPLETION DATE: 11/11/81

COMMENTS: API: 30-005-61137

CASING PROGRAM

13-3/8" 48# K-55	657'
8-5/8" 24# K-55	1,396'
4-1/2" 10.5# J-65	4,009'



Before

Tops:

San Andres : 562'
Glorieta : 1,201'
Yeso : 1,385'
Tubb : 2,826'
Abo : 3,519'

Not to Scale
1/25/12
MMFH

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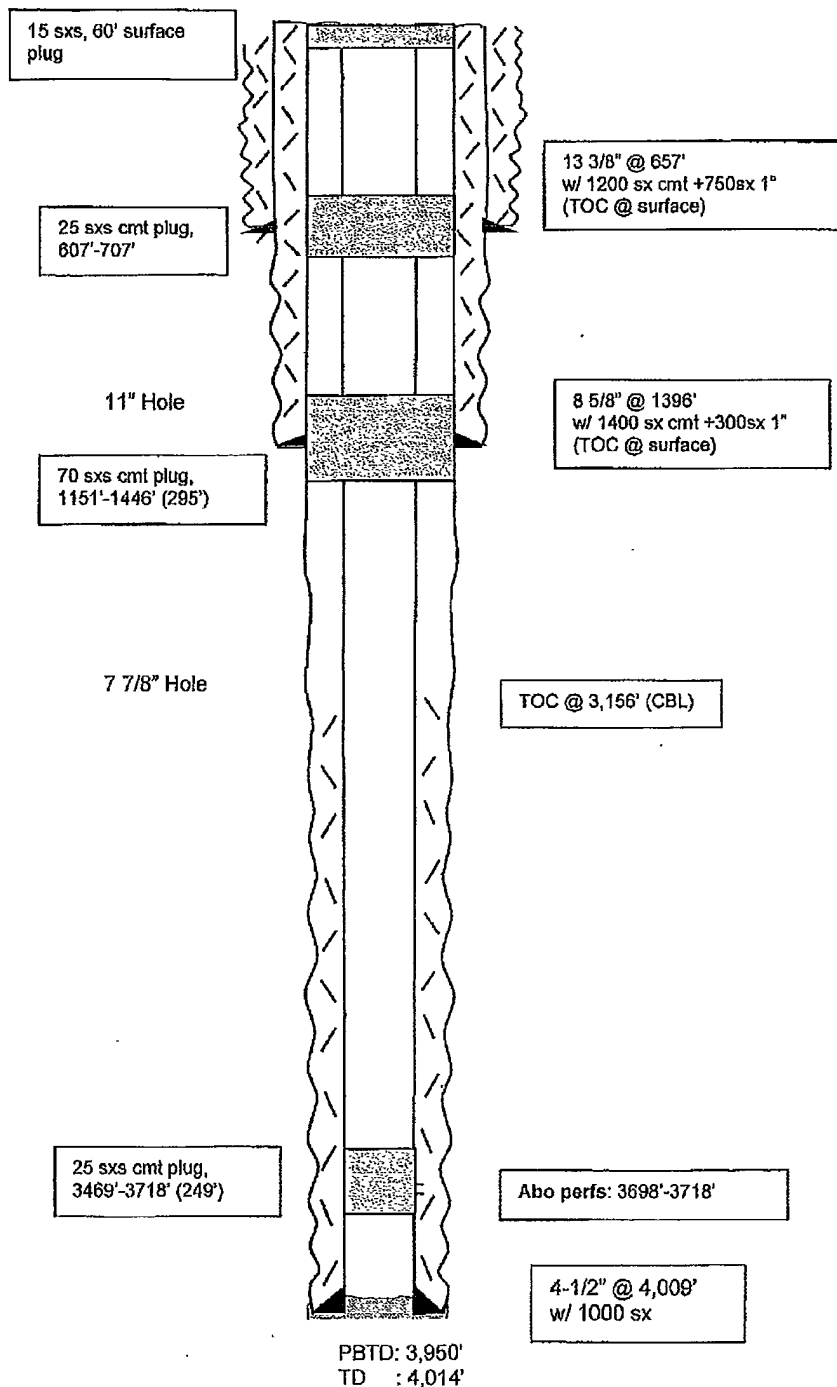
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BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

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 **ninety (90)** 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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. Blowout Preventers: 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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: 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 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 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 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: 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 the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.