

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**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.

5. Lease Serial No.

**NM-043625**

6. If Indian, Allottee or Tribe Name

**N/A**

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

**NMNM84608**

8. Well Name and No.

**SAGUARO AGS FED COM #5**

9. API Well No.

**30-015-26475**

10. Field and Pool, or Exploratory Area

**DAGGER DRAW UPPER PENN, SO.**

11. County or Parish, State

**EDDY COUNTY**

**SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

Injection

2. Name of Operator

**Yates Petroleum Corporation**

RECEIVED

3a. Address

**105 S. 4th Street - Artesia, NM 88210**

3b. Phone No. (include area code)

**505-748-1471**

FEB 08 2006

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

OCD-ARTESIA

**2180' FNL & 1980' FWL**

**Section 23-T20S-R24E**

**UNIT F**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☒ Subsequent Report

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Final Abandonment Notice

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other

**Extend T/A status**

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

☐ Convert to Injection

☐ Plug Back

☐ 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 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 operations 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 respectfully requests permission to keep this well in TA status in order to fully evaluate for re-completion/workover potential.

MIT conducted January 31, 2003.

APPROVED FOR 6 MONTH PERIOD  
ENDING 08/6/06

APPROVED

FEB - 6 2006

GARY GOURLEY  
REGIONAL MANAGER

I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

**Su'Ann Rogers**

Signature

*Su'Ann Rogers*

Title

**Regulatory Compliance Tech**

Date

**January 31, 2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Accepted for record - NMDCU  
Date 7/8

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.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

# ENERGY BILL

## TA well interest

- (2) gas production from marginal properties....
- (c) REDUCED ROYALTY RATE. [see legislation]
- (d) TERMINATION OF REDUCED ROYALTY RATE. [see legislation]
- (e) REGULATIONS PRESCRIBING DIFFERENT RELIEF.

- (1) Discretionary regulations; (2) Mandatory regulations

### Section 349. Orphaned, Abandoned, or Idled Wells on Federal Land.

(a) [timeframe] The Secretary, in cooperation with the Secretary of Agriculture, shall establish a program not later than 1 year after the date of enactment of this Act, to remediate, reclaim and close orphaned, abandoned, or idled oil and gas wells located on land administered by the land management agencies within the Departments of the Interior and Agriculture.

(b) The program under subsection (a) shall

(1) include a means of ranking well sites for priority in remediation, reclamation, and closure based on public health and safety, potential environmental harm, and other land use priorities;

(2) provide for identification and recovery of the costs for persons or other entities currently providing a bond or other financial assurance;

(3) provide for recovery from those identified under paragraph (2)

(c) In carrying out the program, the Secretary shall work cooperatively with the Secretary of Agriculture and the States and consult with the Secretary of Energy and the Interstate Oil and Gas Compact Commission.

(d) PLAN [timeframe] Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Secretary of Agriculture shall submit to Congress a plan for carrying out the program.

(e) A well is idled if the well has been non-operational for at least 7 years and there is no anticipated beneficial use for the well.

### (f) FEDERAL REIMBURSEMENT FOR ORPHANED WELL RECLAMATION PILOT PROGRAM.

(1) The Secretary shall carry out a pilot program under which, issuing a new oil and gas lease on federally owned land on which 1 or more orphaned wells are located, the Secretary may

(A) require, other than as a condition of the lease, that the lessee remediate, reclaim, and close in accordance with standards established by the Secretary, all orphaned wells on the land leased; and

(B) shall develop a program to reimburse a lessee, through a royalty credit against the Federal share of royalties owed or other means, for the reasonable actual costs of remediation, reclaiming, and closing the orphaned wells pursuant to that requirement.

(2) The Secretary (A) may authorize any lessee to reclaim in accordance with the Secretary's standards and orphaned well on unleased federally owned land; or an orphaned well located on an existing lease on federally owned land for the reclamation of which the lessee is not responsible.

(b) shall develop a program to provide reimbursement of 100 percent of the reasonable actual