

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

MONTHLY
JUN 2007
OCD - ARTESIA

5. Lease Serial No.
NM-0553777

6. If Indian, Allottee or Tribe Name

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)

810'FNL & 660'FWL of Section 32-T19S-R25E (UNIT D, NWNW)

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

NM-94445

8. Well Name and No.

Joyce Federal Com #1

9. API Well No.

30-015-28208

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, North

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



Notice of Intent



Subsequent Report



Final Abandonment Notice



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back



Production (Start/Resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

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 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 plans to plug and abandon this well as follows:

1. Rig up safety equipment as needed.
2. Set a 7" CIBP at 7640' with 35' cement on top.
3. Spot a 100' cement plug across Wolfcamp from 6244'-6344'.
4. Spot a 100' cement plug across Abo from 3862'-3962'.
5. Spot a 100' cement plug across Glorieta from 2179'-2279'.
6. Spot a 100' cement plug from 1055'-1155'. Tag plug.
7. Spot a 100' cement plug from 100' up to the surface. Tag plug.
8. Cut off wellhead and install dry hole marker and clean up location as per regulated.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD

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 May 24, 2007

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

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

APPROVED

MAY 30 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER

WELL NAME: Joyce Federal Com #1 FIELD: Dagger Draw U. Penn. N.

LOCATION: 810' FNL & 660' FWL of Section 32-19S-25E Chaves Co., NM

GL: 3,516' ZERO: KB: 3,535'

SPUD DATE: COMPLETION DATE:

COMMENTS: API No.: 30-015-28208

CASING PROGRAM

9-5/8" 36# K-55 STC	<u>1,105'</u>
7" 26# K-55 LTC	<u>8,150'</u>

14-3/4"
Hole

Before

9-5/8" @ 1,105' w/ 1100 sx cmt
1"ed to surf w/ 1200 sx cmt

TOPS

Glorieta	2,229'
Abo	3,912'
3 rd BS	5,402'
WC Shale	6,294'
Cisco	7,623'

8-3/4" Hole

DV Tool @ 4,987'

**Accepted for record
NMOCD**

Cisco Perfs: 7,690-7,793'

Not to Scale
1/18/07
DC/Moss

FC: 8,102'
TD: 8,150'

7" @ 8,150' w/
1st Stage: 615 sx
2nd Stage: 550 sx (Circ)

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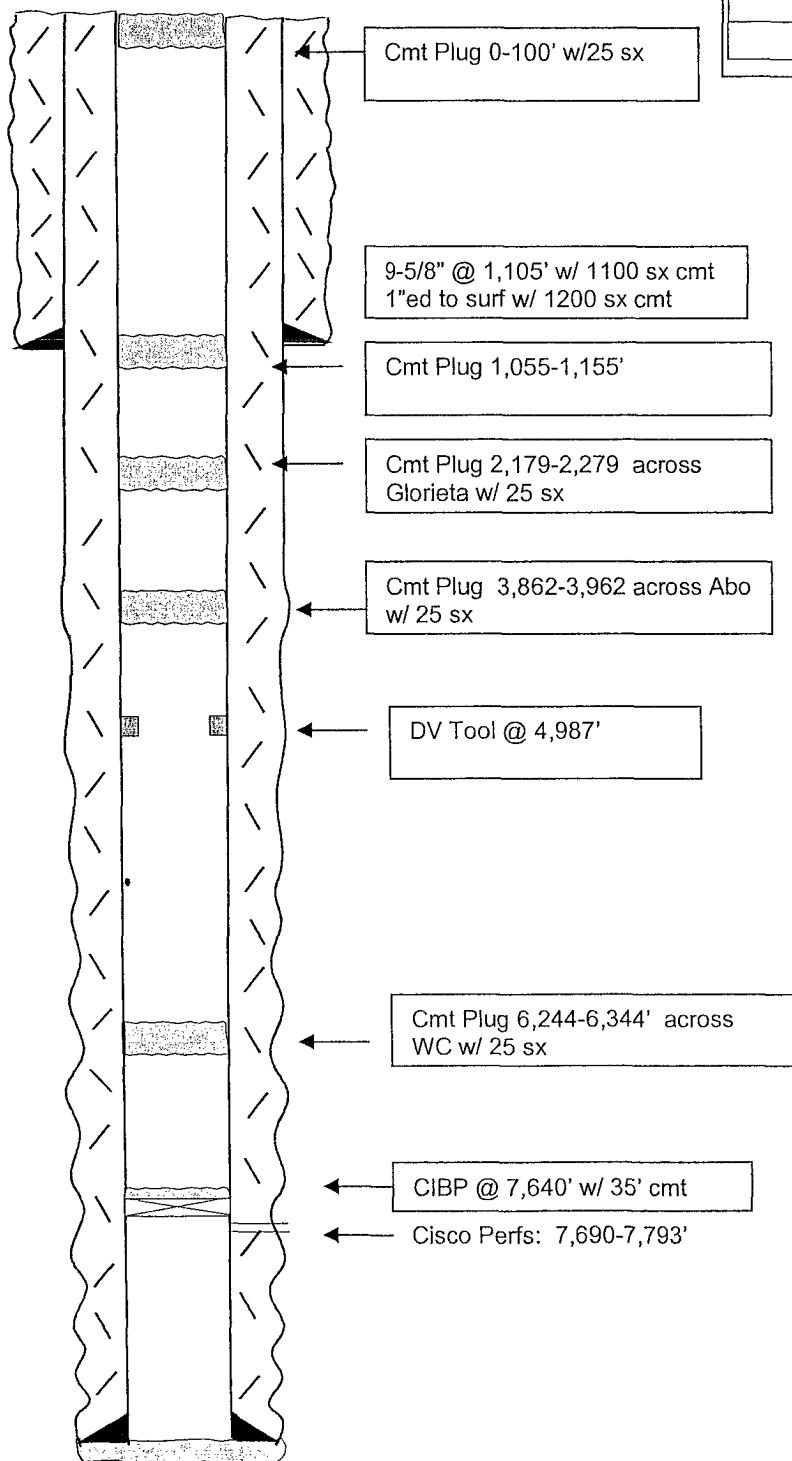
14-3/4"
Hole

After

TOPS

Glorieta	2,229'
Abo	3,912'
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Not to Scale
1/18/07
DC/Moss

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to P/A this well with the following modifications to the procedure:

*** All plugs, including the surface plug, should leave at least 25 sacks of cement inside the casing and be at least 100 feet, plus an additional 10% for each 1000 feet of depth.**

Plugging procedures must conform to 43 CFR 3162.6.d and Onshore Order No. 2.III.G or NMOCD orders if they are more stringent.

All of the work approved here must be completed within 90 days

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 5/30/07

**Accepted for record
NMOCD**



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

Interim Reclamation Procedures for Permanently Abandoned Federal Wells

1. After Subsequent Report of Abandonment, Form 3160-5, is filed and approved by the BLM the surface protection specialist (SPS) will conduct a surface inspection of the abandonment. The SPS will establish the reclamation requirements the operator will need to complete. **DO NOT START RECLAMATION UNTIL THE SPS HAS INSPECTED THE LOCATION.**

2. The reclamation requirements will be given to an environmental protection specialist (EPS). The EPS will issue the operator a Notice of Written Order outlining the reclamation requirements. **DO NOT START RECLAMATION UNTIL A NOTICE OF WRITTEN ORDER FOR RECLAMATION HAS BEEN RECEIVED.** The EPS will be responsible for all further abandonment work and inspections.

3. **Notification: CONTACT THE EPS 3 DAYS PRIOR TO RECLAMATION WORK.** This notification gives the EPS an opportunity to discuss by phone or on location the reclamation requirements, any special concerns and the timeframes. It also allows the EPS an opportunity to witness various aspects of the reclamation work to determine if an adequate seedbed has been prepared and all reclamation requirements have been completed. **CONTACT THE EPS AT LEAST 3 DAYS PRIOR TO SEEDING.** This allows the EPS to witness the seeding operation to make sure the location is seeded properly and with the appropriate seed mixture. **DO NOT START RECLAMATION UNTIL THE EPS HAS BEEN NOTIFIED.**

4. After reclamation work has been completed, submit the **I & E copy of the Notice of Written Order** to the BLM. It will need to be signed by a company representative and dated. Also submit one original and five copies of the **Final Abandonment Notice, Form 3160-5.** The report should state that all reclamation work has been completed, and the location is ready for a final abandonment inspection.

5. The BLM will continue to monitor the location to ensure the location vegetates successfully, and salts from the reserve pit do not leach to the surface. The location will be monitored until such time as vegetation (20%) is established evenly across the location (including the reserve pit and access road). Once EPS determines that vegetation (20%) is evenly spread across the location, final abandonment will be authorized.

If there are any questions please feel free to contact any of the following:

Jim Amos
Supervisory Environmental Protection Specialist
(505) 234-5909

Barry Hunt
Surface Protection Specialist
(505) 234-5965

Todd Suter
Surface Protection Specialist
(505) 234-5987

Trishia Bad Bear
Natural Resource Specialist – Lea County
(505) 393-3612

Cody Layton
Natural Resource Specialist
(505) 234-5959

Paul Evans
Environmental Protection Specialist
(505) 234-5977

Terry Gregston
Environmental Protection Specialist
(505) 234-5958

**Accepted for record
NMOCD**

10/18/2006