

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0137
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.

SEP 04 2007

OCD-ARTESIA

5 Lease Serial No.

NM-663

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE Other instructions on page 2.

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)

2530'FNL & 1980'FWL of Section 4-T24S-R24E (Unit F, SENW)

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

8 Well Name and No

Lechuguilla Canyon Unit #7

9 API Well No.

30-015-22351

10. Field and Pool or Exploratory Area

Crooked Creek; Morrow

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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. NU BOP, release packer and TOOH. Lay down all but +/-9364' of tubing.
2. Set a 5-1/2" CIBP at 9841' with 35' cement on top.
3. Spot a 100' (25 sx) cement plug from 9364'-9464'.
4. Spot a 100' (25 sx) cement plug from 8448'-8548'.
5. Perforate squeeze holes at 6086'.
6. Spot a 100' (35 sx) cement plug from 6086'-6186', inside and outside casing.
7. Perforate squeeze holes at 4570'.
8. Spot a 100' (35 sx) cement plug from 4570'-4670', inside and outside casing.
9. Perforate squeeze holes at 3281'.
8. Spot a 100' (35 sx) cement plug from 3281'-3381', inside and outside casing. Tag plug.
9. Perforate squeeze holes at 430'.

Accepted for record
NMOCD

CONTINUED ON NEXT PAGE:

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date

August 22, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date AUG 29 2007

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 any false statement or representation to any agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

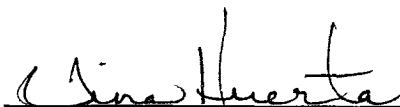
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Yates Petroleum Corporation
Lechuguilla Canyon Unit #7
Section 4-T24S-R24E
Eddy County, New Mexico

Form 3160-5 continued:

10. Spot a 100' (35 sx) cement plug from 430'-530', inside and outside casing. Tag plug.
11. Perforate squeeze holes at 100'.
12. Install 4-1/2" casing swedge to circulate cement from 100' up to surface (35 sx).
13. Cut off wellhead and install marker, clean up location as per regulated.

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


Regulatory Compliance Supervisor
August 22, 2007

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NMOCD

WELL NAME: Lechuguilla Canyon Unit #7 FIELD: Crooked Creek Morrow

LOCATION: 2,530' FNL & 1,980' FWL Sec 4-24S-24E Eddy County

GL: 4,198' ZERO: KB: 4,209'

SPUD DATE: 12/12/77 COMPLETION DATE: 2/14/78

COMMENTS:

CASING PROGRAM

13-3/8" 48# J55 ST&C	480'
8-5/8" 32# J55 ST&C	3331'
Surface	
5 1/2" 17# N-80 LT&C 2,062'	
5 1/2" 17# K-55 LT&C 6,704'	
5 1/2" 17# N-80 LT&C 1481'	10,217'
Bottom	

17-1/2" Hole

12-1/4" Hole

13-3/8" @ 480'
w/ 425 sx (circ.)

9-5/8" @ 3331'
w/ 1800 sx (circ.)

TOC @ 7,830' by T.S.

7 7/8" Hole

Morrow Perfs: 9,891-9,981' (140)

5 1/2" @ 10,217'
W/ 400 sx (not circ.)

TD: 10,350'

Before

Tops:
Delaware 3192'
BS lime 4620'
BS 1 sand 4830'
BS 2 sand 6136'
BS 2 sand 7430'
Wolfcamp 8498'
Strawn 9414'
Atoka 9745'
Morrow 9994'
Morr. CL. 10262'

**Accepted for record
NMOCD**

Not to Scale

8/8/07
Moss

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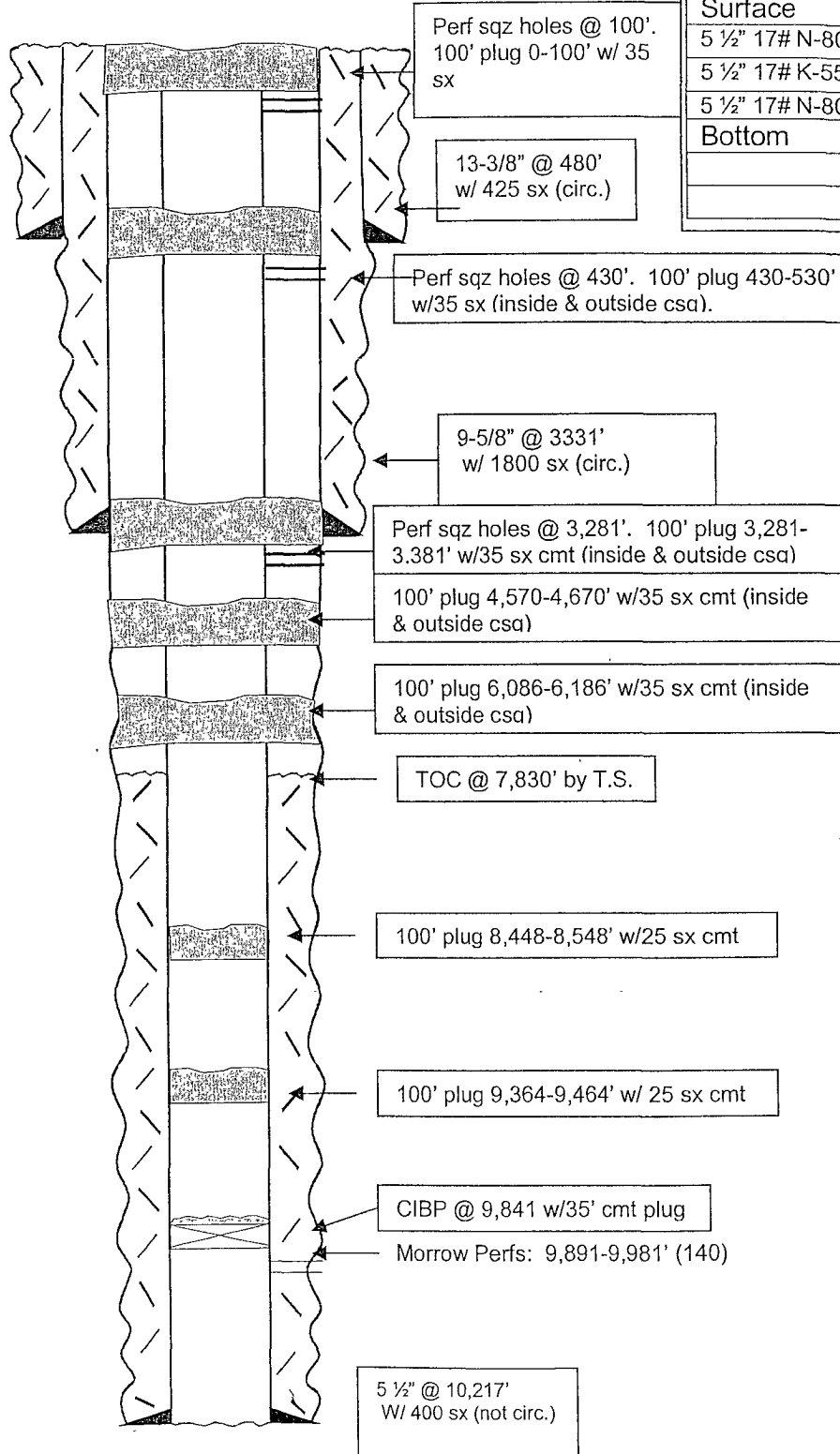
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13-3/8" 48# J55 ST&C	480'
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Bottom	

17-1/2" Hole

12-1/4" Hole

7 7/8" Hole



After

Tops:	
Delaware	3192'
BS lime	4620'
BS 1 sand	4830'
BS 2 sand	6136'
BS 2 sand	7430'
Wolfcamp	8498'
Strawn	9414'
Atoka	9745'
Morrow	9994'
Morr. CL.	10262'

Accepted for record
NMOCD

Not to Scale
8/8/07
Moss

TD. 10,350'

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220-6292
(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 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 appropriate BLM office, prior to the 90th day, with the reason for not meeting the deadline and a date when the appropriate BLM can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: 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, in Eddy County call (505) 361-2822; for wells in Lea County call (505) 393-3612.

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 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.**

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

Accepted for record
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