

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

JAN - 8 2008
OCD-ARTESIAFORM APPROVED
OMB No 1004-0137
Expires July 31, 20105. Lease Serial No
NM-1372
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)

575-748-1471

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

660'FSL & 1980'FEL of Section 9-T19S-R25E (Unit O, SWSE)

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

8. Well Name and No.

Warren ANW Federal #3

9. API Well No.

30-015-28598

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 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.

Accepted for record
NMOCD

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. Rig up all safety equipment. TOOH with tubing and lay down TAC, SN, perf sub, mud joint with bull plug and all but 5583' of the tubing.
2. Set a 7" CIBP at 7702' with 35' cement on top.
3. Spot a plug across the DV tool from 5975'-6075'.
4. Spot a 100' cement plug (25 sx) across the Wolfcamp from 5532'-5632'.
5. Spot a 100' cement plug (25 sx) across the Bone Spring from 3407'-3507'.
6. Spot a 100' cement plug (25 sx) across the Glorieta from 2197'-2297'.
7. Spot a 100' cement plug (25 sx) from 1113'-1213'. Tag plug.
8. Spot a 100' cement plug (25 sx) from 100'-0'. Tag plug.
9. Cut off wellhead and install marker and clean up location as per regulated.

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

Date December 19, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

SEE ATTACHED FOR

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.

CONDITIONS OF APPROVAL

WELL NAME: Warren ANW Fed #3 FIELD: N. Dagger Draw U. Penn
 LOCATION: 660' FSL & 1980' FEL of Section 9-19S-25E Eddy, NM
 GL: 3,501' ZERO: _____ KB: 3,519'
 SPUD DATE: 8/19/1995 COMPLETION DATE: 9/17/1995
 COMMENTS: API No.: 30-015-28598

CASING PROGRAM

9-5/8" 36# J55 STC		1,163'
7" 26# N80 STC	95'	
7" 26# J55 LTC	1,111'	
7" 23# J55 LTC	3,709'	
7" 26# J55 LTC	2,650'	
7" 26# N80 LTC	735'	8,300'

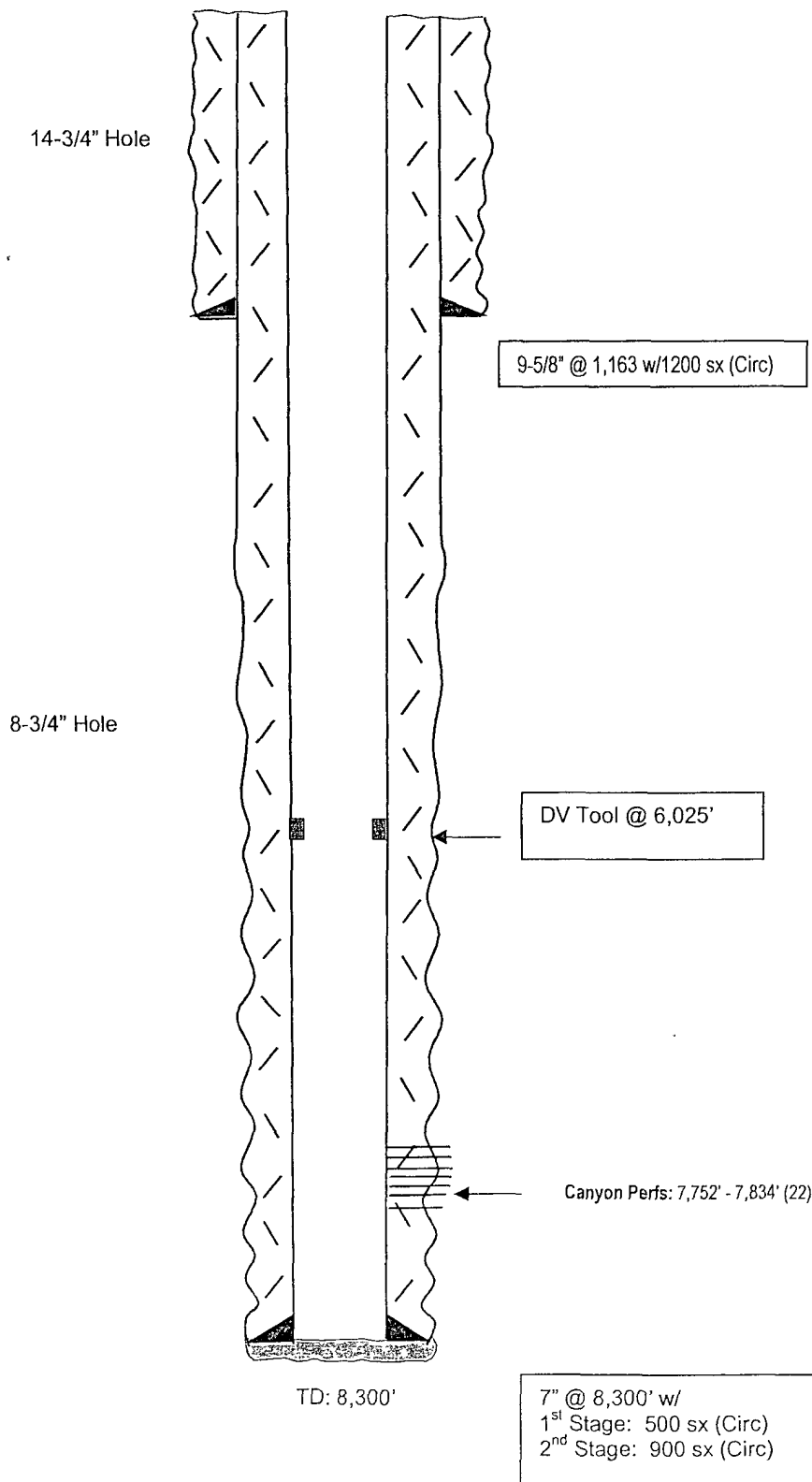
Before

TOPS

SA 775'
 Glorieta 2,247'
 BS 3,457'
 WC 5,582'
 Canyon 7,646'

**Accepted for record
 NMOCD**

Not to Scale
 11/28/07
 Moss



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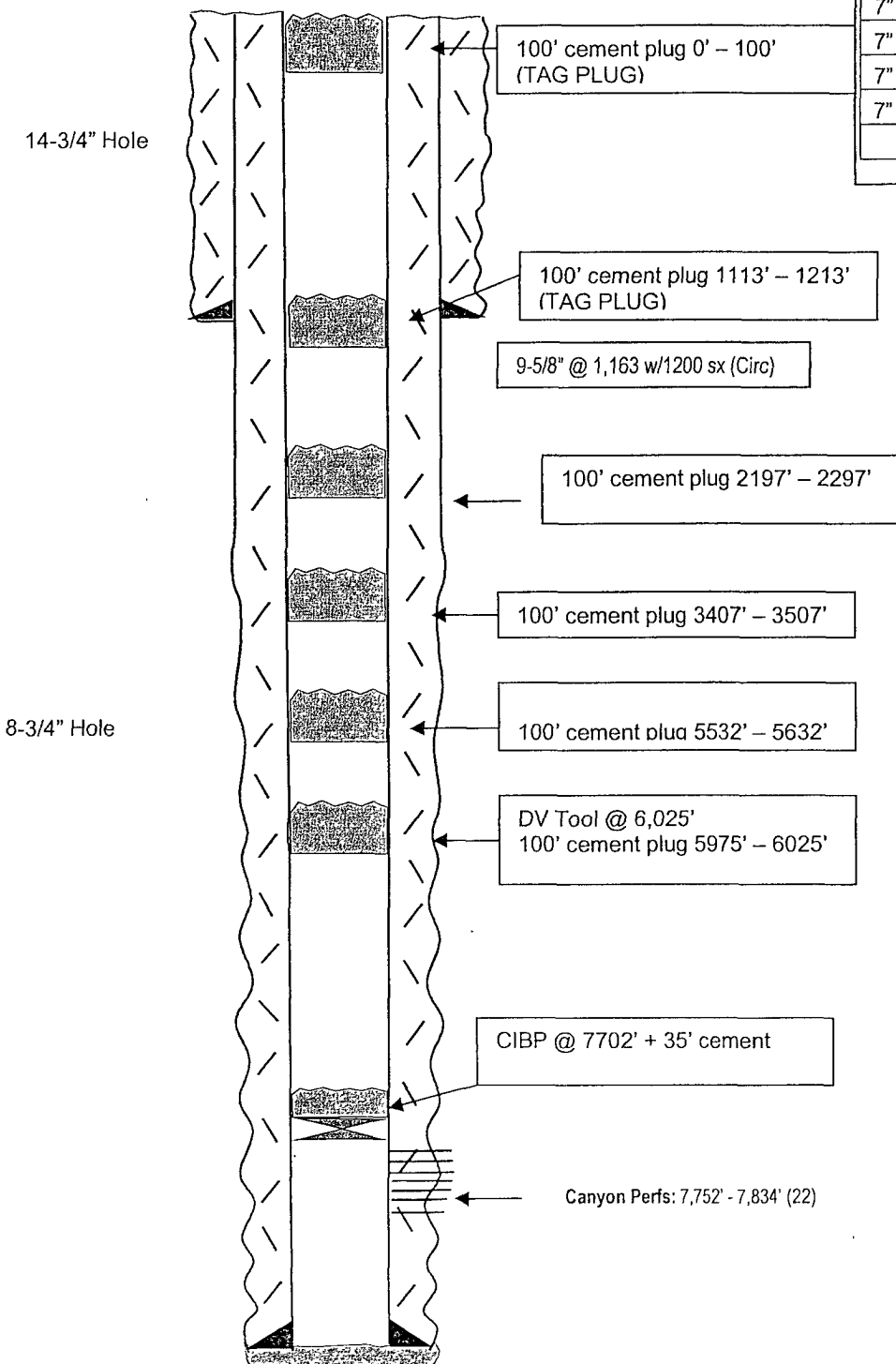
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**Accepted for record
NMOCD**

Not to Scale
11/28/07
Moss

TD: 8,300'
F.C. 8,259'

7" @ 8,300' w/
1st Stage: 500 sx (Circ)
2nd Stage: 900 sx (Circ)

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272

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 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. 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, Eddy County call 505- 234-5972; 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 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. Mud Requirement: 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. 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 are not final.

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. 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 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.**
8. Trash: 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.