

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.*

FEB 05 2008
OCD-ARTESIA

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well

☒

Oil Well

☐

Gas Well

☐

Other

RE-SUBMIT

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)

2180'FNL & 1980'FWL of Section 23-T20S-R24E (UNIT F, SENW)

5 Lease Serial No

NM-043625

6 If Indian, Allottee or Tribe Name

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

NMNM84608

8 Well Name and No

Saguaro AGS Federal Com #5

9 API Well No

30-015-26475

10 Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

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			
<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 submitted when 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.)

ACCEPTED FOR RECORD

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

FEB 12 2008

NOTE: CIBP's at 6390' + 35' cement and 7520' + 35' cement

1. Rig up safety equipment as needed.
2. Spot 100' cement plug (25 sx) from 5801'-5901'.
3. Spot 100' cement plug (25 sx) from 3281'-3381'.
4. Spot 100' cement plug (25 sx) from 1175'-1275'. Tag plug.
5. Spot 100' cement plug (25 sx) from 100' to surface. Tag plug.
6. Cut off wellhead and install dry hole marker.

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA
Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA
**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

X Plugs should be 100 ft. plus 10% per 1,000 Ft. add 10%

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

January 22, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

APPROVED

FEB 2 2008

JAMES A. AMOS
SUPERVISOR EDS

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.

WELL NAME: Saguaro AGS Federal #5 FIELD: Dagger Draw

LOCATION: 2,180' FNL & 1,980' FWL of Section 23-20S-24E Eddy Co., NM

GL: 3,640 ZERO: 14' KB: _____

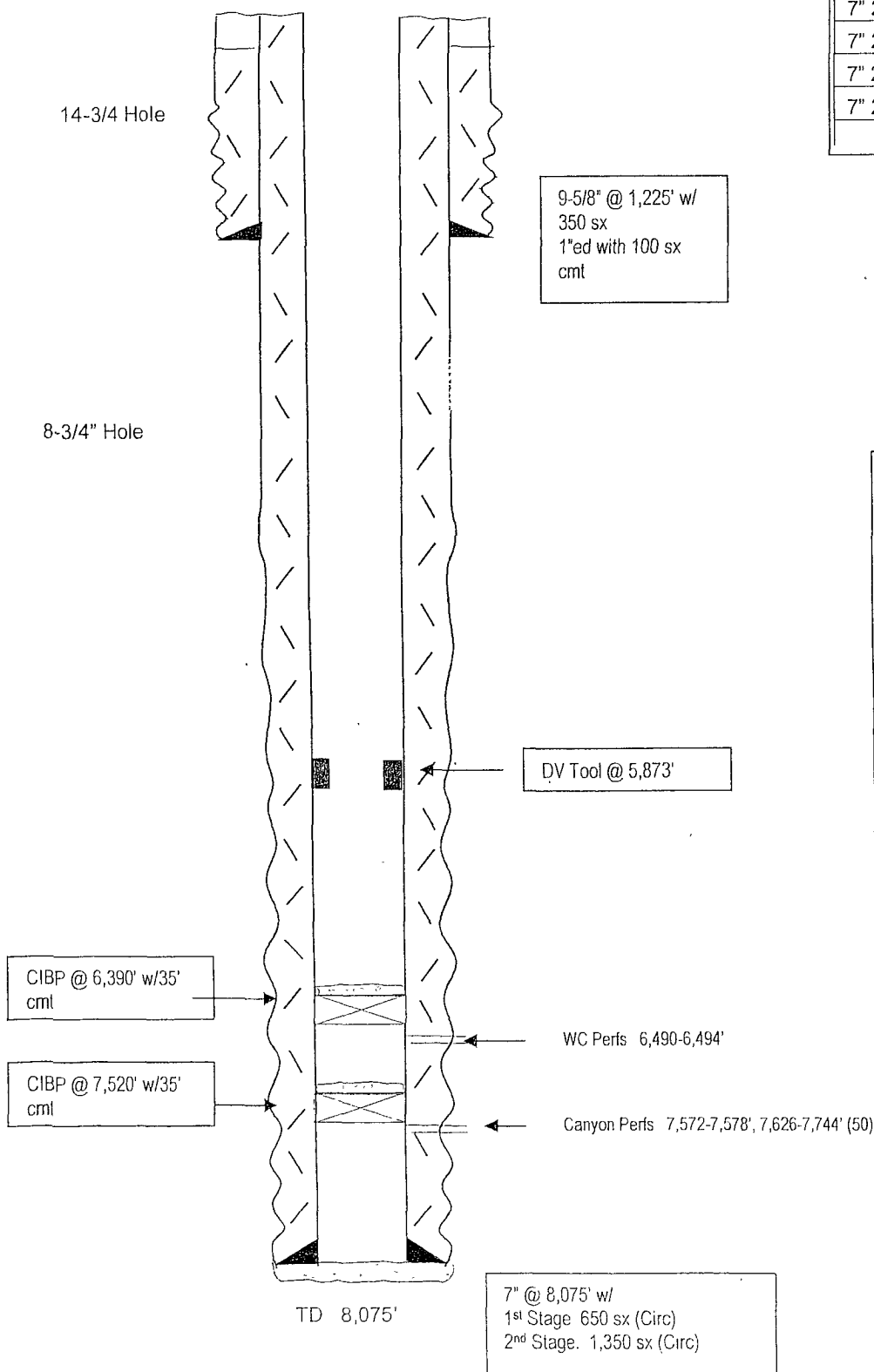
SPUD DATE: _____ COMPLETION DATE: _____

COMMENTS: TA'd 3/6/98

CASING PROGRAM

9-5/8" 36# J55		1,225'
7" 26# J55 LTC	111'	
7" 23# N80 LTC	727'	
7" 23# J55 LTC	4000'	
7" 26# J55 LTC	2720'	
7" 26# N80 LTC	517'	8075'

Before



TOPS

SA	567'
Glorieta	2,092'
Yeso	2,191'
BS	3,331'
3rd BS	5,330'
Abo Dolo	5,578'
WC Lm	5,851'
Canyon Lm	7,470'
Canyon Dolo	7,572'

Not to Scale
7/27/06
DC/Shannon

WELL NAME: Saguaro AGS Federal #5 FIELD: _____

LOCATION: 2,180' FNL & 1,980' FWL of Section 23-20S-24E Eddy Co., NM

GL: 3,640 ZERO: 14' KB: _____

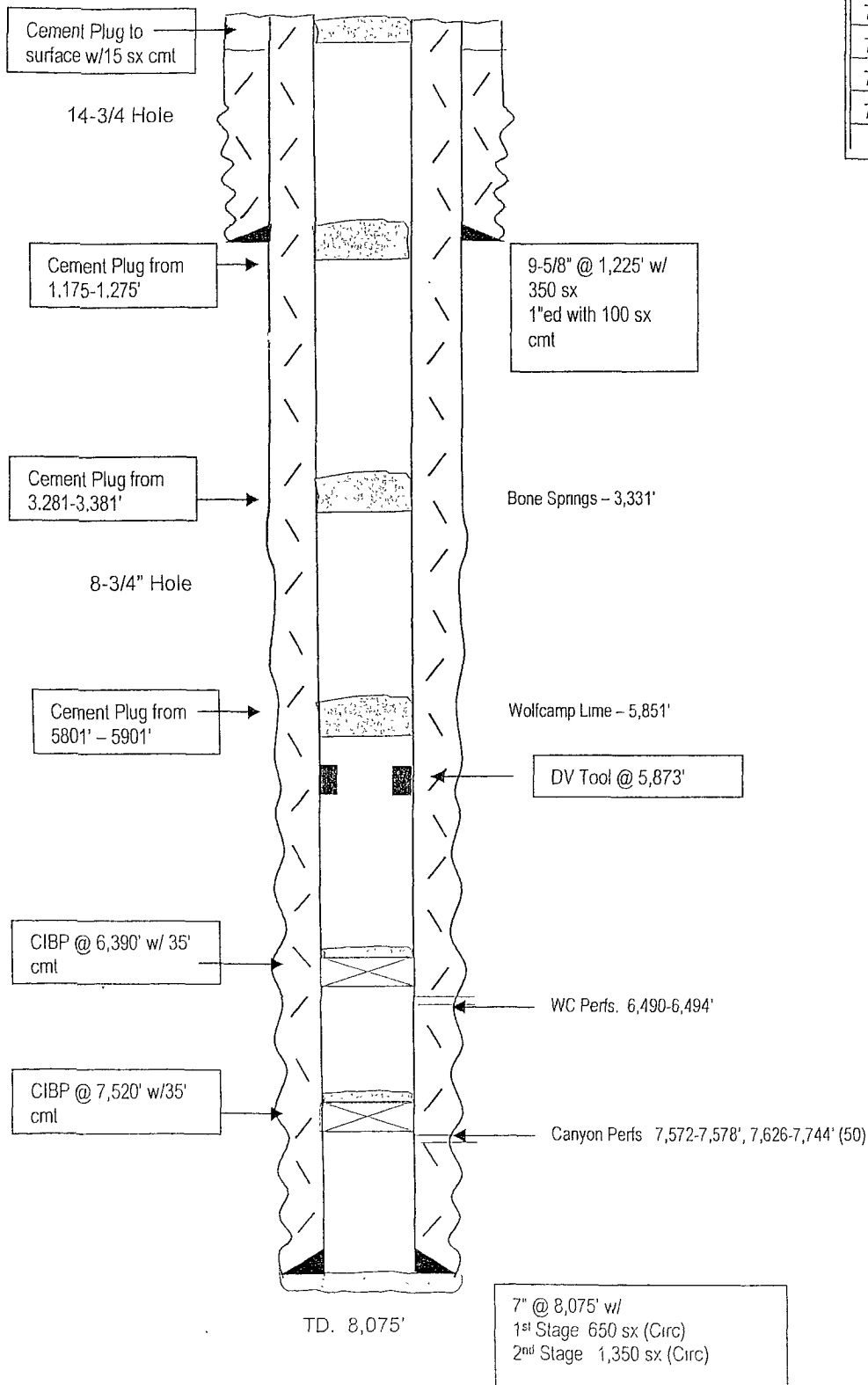
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BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

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 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 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

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 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 a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks 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 Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

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, name of the operator, lease serial number, surveyed location (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.