

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0135
Expires March 31, 2007

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.

MAR 10 2008

OCD-ARTESIA

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

RE-SUBMIT

S

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)

1980'FNL & 660'FEL of Section 17-T20S-R29E (Unit H, SENE)

5 Lease Serial No

NM-01165

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No.

Williamson BC #3

9 API Well No

30-015-21628

10 Field and Pool, or Exploratory Area

Burton Flat; Wolfcamp, East

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 all safety equipment as needed. Retrieve RBP at 10,371'.
2. Spot 100' or +/-15 sx Class "H" cement plug from 9605'-9705'. WOC and tag plug. This will leave 100' plug over Wolfcamp.
3. Spot 15 sx Class "H" cement plug from 6900'-7800'. This will leave a plug across DV tool inside 5-1/2" casing. WOC and tag plug, reset if necessary.
4. Spot 15 sx Class "H" cement plug from 5758'-5858'. This will leave a plug across the Bone Spring inside 5-1/2" casing. WOC and tag plug, reset if necessary.
5. Perforate 4 squeeze holes at 3758'. Set a balanced cement plug in 5-1/2" casing and 7-7/8" openhole from 3007'-3758'. Spot 750 sx Class "C" cement. WOC and tag plug. This will leave a plug across intermediate and Delaware.
6. Perforate 4 squeeze holes at 1498'. Place 50 sx Class "C" cement in 5-1/2" casing and 8-5/8" casing from 1389'-1498'. This will put a plug across Capitan Reef top. WOC and tag plug, reset if necessary.
7. Perforate 4 squeeze holes at 650'. Place 50 sx Class "C" cement in 5-1/2" casing and 8-5/8" casing from 550'-650'. This will put a plug across surface casing. WOC and tag plug, reset if necessary.
8. Spot 50 sx Class "C" cement in the casing from 0'-150'. This will leave 150' surface plug in the 8-5/8" casing. WOC 24 hrs. Tag and reset if necessary.
9. Remove all surface equipment and weld dry hole marker per regulations.

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

14 I hereby certify that the foregoing is true and correct

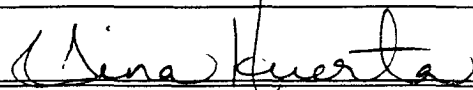
Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature



Date

February 14, 2008

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

Date

JAMES A. AMOS
SUPERVISOR-EPS

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.

Accepted for record
NMOCDF

APPROVED

FEB 29 2008

WELL NAME: Williamson BC Federal #3 FIELD: Burton Flat
 LOCATION: 1,980' FNL & 660' FEL of Section 17-20S-29E Eddy Co., NM
 GL: 3,302' ZERO: 15' KB: 3,317'
 SPUD DATE: 12/75 COMPLETION DATE: _____
 COMMENTS: API No.: 30-015-21628

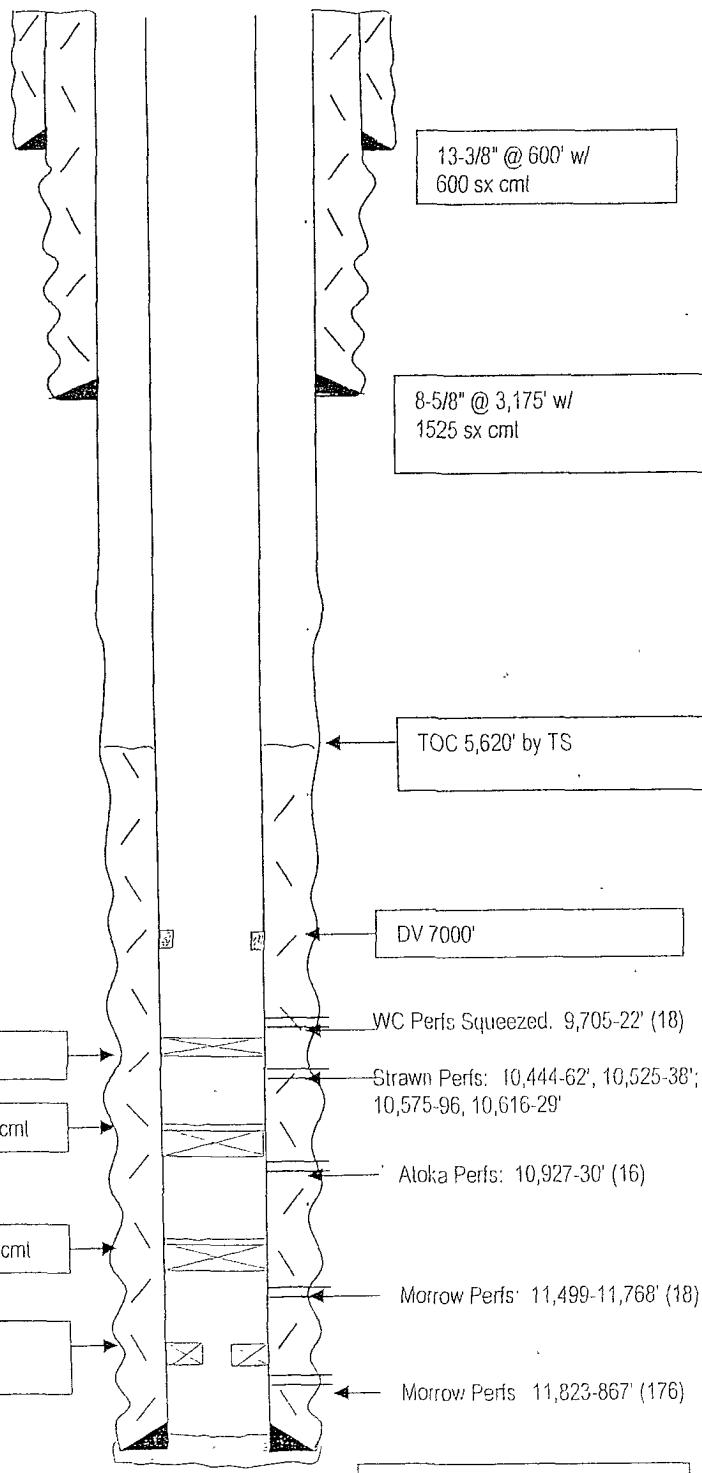
CASING PROGRAM

13-3/8" 48# H40 STC		600'
8-5/8" 24 K55 STC	2,243'	
8-5/8" 32 J55 STC	932'	3,175'
5-1/2" 20# N80 LTC	810'	
5-1/2" 17# N80 LTC	10,050'	
5-1/2" 20# N80 LTC	1,105'	11,965'

17-1/2"
Hole

12-3/4" Hole

7-7/8" Hole



Before

TOPS

Tansil	1,000'
Yates	1,109'
7 Rivers	1,382'
Capitan Reef	1,489'
Delaware	3,107'
BS	5,859'
1 st BS	7,040'
2 nd BS	7,738'
WC	9,213'
Strawn	10,420'
Morrow	11,234'
L. Morrow	11,687'
Mississippian	11,924'

Not to Scale
2/5/07
DC/Hill

5-1/2" @ 11,965' w/
795 sx cml

TD 11,970'

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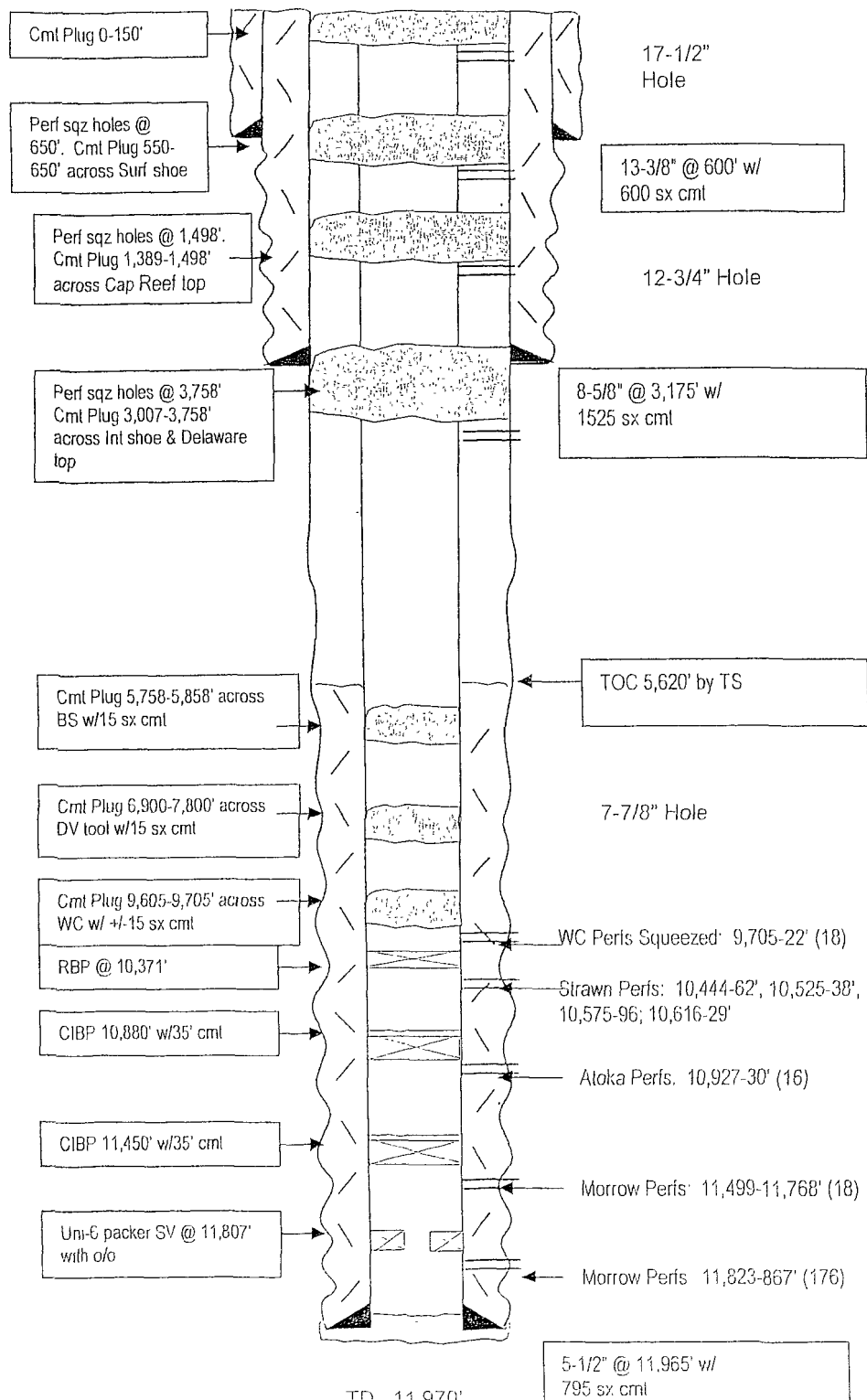
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After

TOPS

Tansil	1,000'
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Not to Scale
 3/14/07
 DC/Hill

**Williamson BC #3
API No. 30-015-21628
Yates Petroleum Company
April 12, 2007
Conditions of Approval**

Step 1 Ok

Step 2 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 3 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth. Plug to be set 50' below the DVT. Depth should be 6950'-7050'.

Step 4 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 5 Plug to be a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 6 Plug to be a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 6a Plug needed at top of Yates/Base of Salt — minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth. Tag plug.

Step 7 Extend plug to cover top of salt at approximately 460 feet.

Step 8 Perforate and squeeze surface plug.

Step 9 Ok

WWI 041207

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
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 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; 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 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 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 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, 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.