

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.

5. Lease Serial No

NM 86043

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

SW273

8. Well Name and No.

Pecos River Deep Unit #3

9. API Well No.

30-015-10432

10. Field and Pool, or Exploratory Area

McMillan Morrow

11. County or Parish, State

Eddy County, NM

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

MAY 21 2008

2. Name of Operator

Yates Drilling Company

OCD-ARTESIA

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No (include area code)

505-748-8663

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

1980' FNL & 660' FEL Section 13-20S-26E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

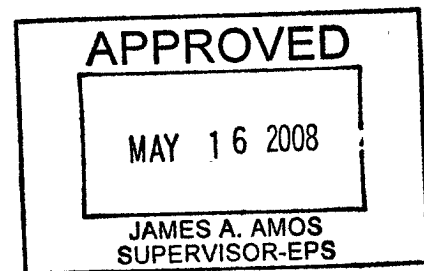
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 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.)

See attached.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**Accepted for record
NMOCD**



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karen J. Leishman

Title **Operations Tech**

Signature

Karen J. Leishman

Date **5/7/2008**

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

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

Sundry Attachment
5/7/2008
Pecos River Deep Unit #3
Section 13-20S-26E
Eddy County, NM
30-015-10432

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Proposed Plugging Procedure

1. RU plugging unit.
2. POH with rods and pump, laying down rods. POH with tubing and BHA. Lay down BHA.
3. Nipple down wellhead and NU 3,000# BOPE
4. RIH and set CIBP @ ~~6,200'~~^{6,000'}. Mix and circulate 10# mud and pump 35 sxs **6000'** cement on top of plug.
5. POH and pump cement from ~~3,060'-3,200'~~ **2480' - 3000'**
6. RU with wireline and perforate ~~1,910'~~ **1951'**
7. RIH with packer and tubing. Set packer at 1,850' and squeeze casing shoe from 1,850' to 2,000'. POH and WOC. Tag plug.
8. RU and perforate casing @ 650'.
9. Circulate cement from 650' to surface in/out.

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Pecos River Deep Current Well Conditions.

Well producing out of bone springs zones 6,040' – 6,090'.

C.I.B.P SET @ 6,200' WITH 35' CEMENT DUMPED ON TOP VIA W/L COVERING

PERFS 6,230' – 6,462'

P.B.T.D 6,165'

C.I.B.P. SET @6,700' WITH 35' CEMENT DUMP ON TOP VIA W/L COVERING

PERFS 6,378 – 6,462' BONE SPRINGS ZONE

P.B.T.D 6,665'

C.I.B.P SET @ 7,500' WITH 35' CEMENT DUMP ON TOP VIA W/L COVERING

PERFS 6,768' – 6,788' BONE SPRINGS ZONE.

P.B.T.D 7,465'

C.I.B.P SET @10,131' WITH 35' CEMENT DUMP ON TOP VIA W/L COVERING

PERFS 10,298' – 10,324'.

P..B.T.D. 10,096'

CASING HAD HOLE AT 2,559' AND WAS SQUEEZED WITH 300 SXS 'C' NET
9/6/2008.

REMEDIAL SQUEEZED FROM 6,000' TO 4,100' WITH 250 SXS 'C' NET
10/10/2007.

**Accepted for record
NMOCD**

YDC Pecos River Deep Unit # 3**KB****3347**

	Measured	Subsea
Yates	Absent	-
7 Rivers	0	3347 Surface
Queen	680	2667
Grayburg	990	2357
San Andres	1682	1665
1st Bone Spring Lime	2580	767
1st Bone sSpring Sand	5390	-2043
2nd Bone Spring Lime	5584	-2237
2nd Bone Spring Sand	6102	-2755
3rd Bone Spring Lime	6474	-3127
3rd Bone Spring Sand	7360	-4013
Wolfcamp Lime	7850	-4503
Cisco	8100	-4753
Canyon	8417	-5070
Strawn	9320	-5973
Atoka	9668	-6321
Morrow	10010	-6663
Lower Morrow	10375	-7028
Austin	Not deep enough	

**Accepted for record
NMOCD**

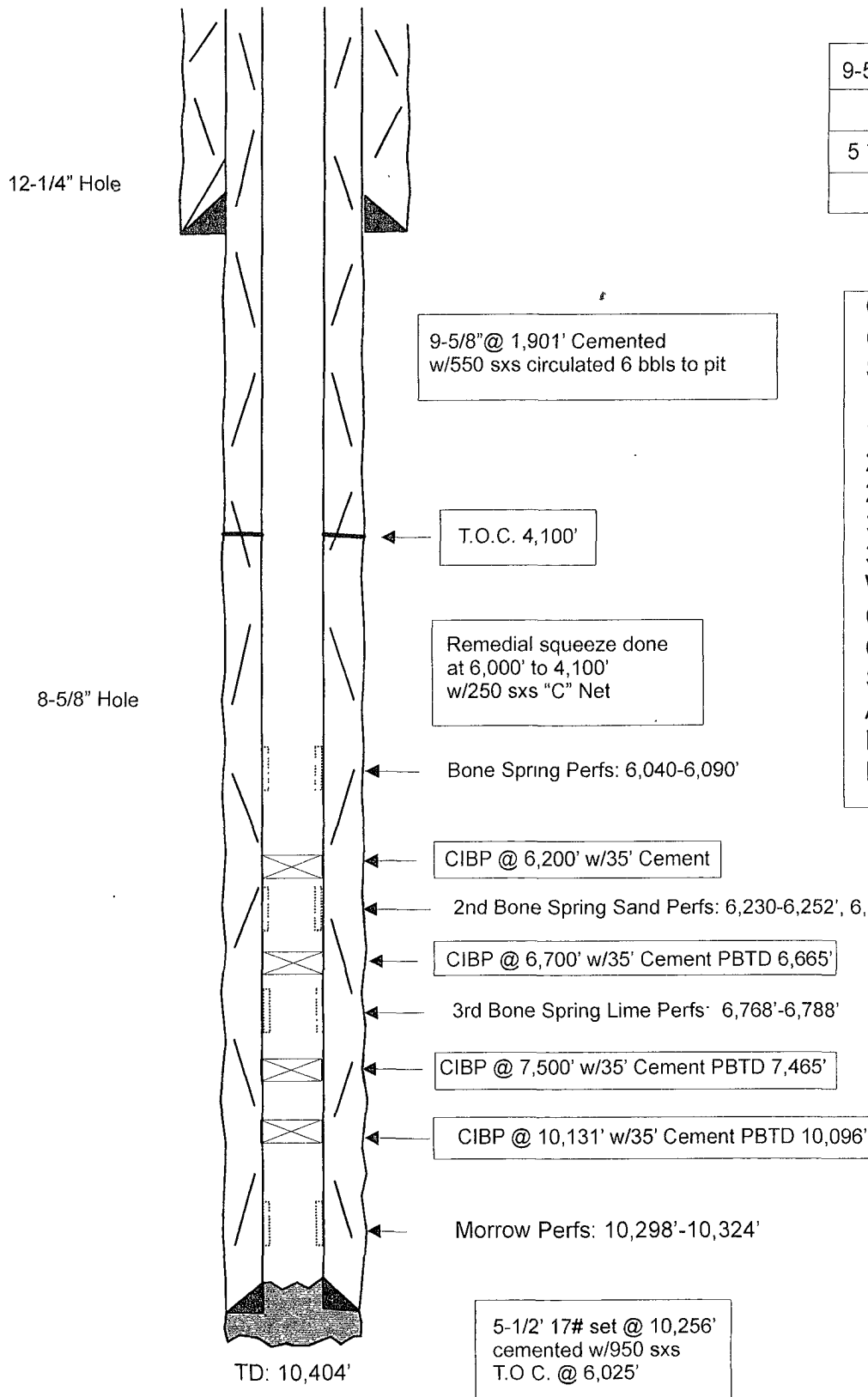
WELL NAME: Pecos River Deep Unit #3 **API:** 30-015-10432
LOCATION: 1980' FNL & 660' FEL of Section 13-20S-26E Eddy Co., NM
GL: 3,335' **ZERO:** 12' **KB:** 3,347'
SPUD DATE: 6/14/65 **COMPLETION DATE:** 3/29/66

CASING PROGRAM

9-5/8" 40#	1,901'
5 1/2" 17#	10,256"

TOPS

Queen	680'
Grayburg	990'
San Andres	1,682'
1st Bone Spring Lime	2,580'
1st Bone Spring Sand	5,390'
2nd Bone Spring Lime	5,584'
2nd Bone Spring Sand	6,102'
3rd Bone Spring Lime	6,474'
3rd Bone Spring Sand	7,360'
Wolfcamp Lime	7,850'
Cisco	8,100'
Canyon	8,417'
Strawn	9,320'
Atoka	9,668'
Morrow	10,010'
Lower Morrow	10,375'



Accepted for record
NMOCD

NOT TO SCALE
5/20/08
HM/GB

**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.