

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

5: Lease Serial No.
NM-83032

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
TEXASVILLE FEDERAL COM #1

9. API Well No.
30-015-26501

10. Field and Pool, or Exploratory Area
BANDANA POINT (STRAWN)

11. County or Parish, State
EDDY, NEW MEXICO

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
YATES ENERGY CORPORATION

3a. Address
P.O. BOX 2323, ROSWELL, NM 88202-2323

3b. Phone No. (include area code)
575-623-4935

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FSL & 1650' FWL OF SECTION 27-23S-23E

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 recomplate 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 recomplate 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.)

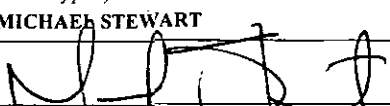
PLEASE SEE ATTACHED WELL SCHEMATICS AND PLUGGING PROCEDURE.

PLUGGING OPERATIONS COULD BEGIN AS SOON AS 10-15 DAYS (APRIL 18-23, 2016).

Changes to procedure: Plug 1 & 2 use class "H" cement. Add plug from 8280-8100. Plug 3 switch to class "C" cement. Plug 4. Perf @ 4160 SBZ cement to 4000. WOC tag. Plug 5. perf @ 2635. SBZ cement to 2515. WOC tag. Perf @ 1400. SBZ cement to 644. WOC tag. Perf. @ 400, SBZ cement to surf. in/out 4 1/2' casing.

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

Name (Printed/Typed) **MICHAEL STEWART** Title **AGENT FOR YATES ENERGY CORPORATION**

Signature  Date **04/07/2016**

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.

(Instructions on page 2)

RECLAMATION PROCEDURE
ATTACHED

Accepted for record
NMOC

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

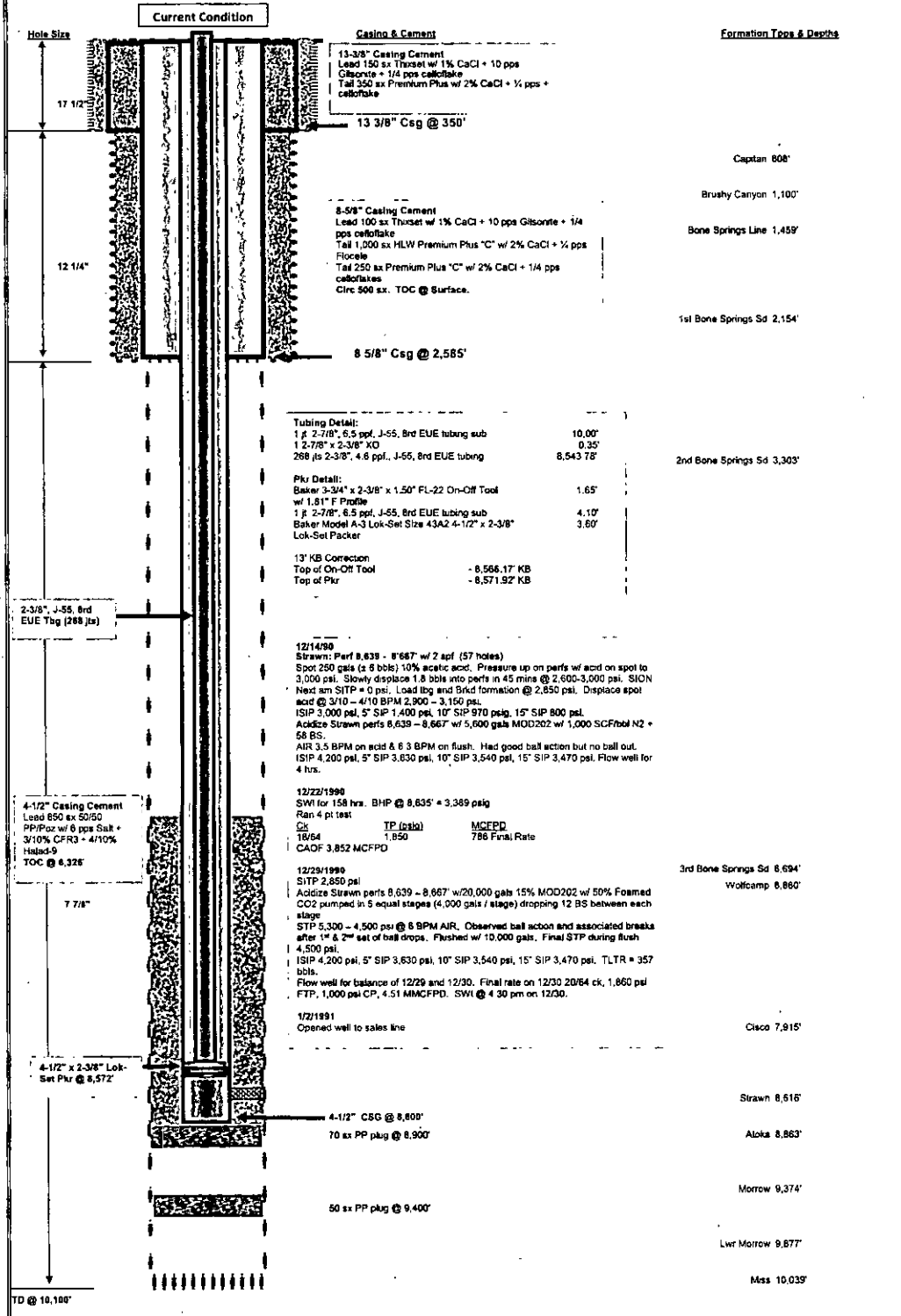
BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

**Yates Energy Corp
Wellbore Diagram**

WELL NAME:	Texasville Fed Com No 1	FIELD:	Bandana Point (Strawn)			
LOCATION:	2,310' FSL & 1,650' FWL Section 27, T-23-S, R-23E	COUNTY:	Eddy			
ELEVATION:	SL: 4,188' (KB - 14') KB: 4,202'	STATE:	NM			
API#	30-015-26501	SPUD DATE:	10/24/1990			
	Fed Lse No NM-83032	PREPARED BY:	M Stewart			
DEPTH	HOLE SIZE	SIZE	WEIGHT	GRADE	THREAD	CEMENT / TOC
CASING:	350'	17 1/2"	13 3/8"	48#	H-40	ST&C 500 sx / Surface
CASING:	2,585'	12 1/4"	8 5/8"	32#	J & K-55	ST&C 1,350 sx / Surface
CASING:	8,800'	7 7/8"	4 1/2"	11.5#	J-55	LT&C 650 sx / 8,326'
TUBING:						



**Yates Energy Corp
Proposed P&A Procedure**

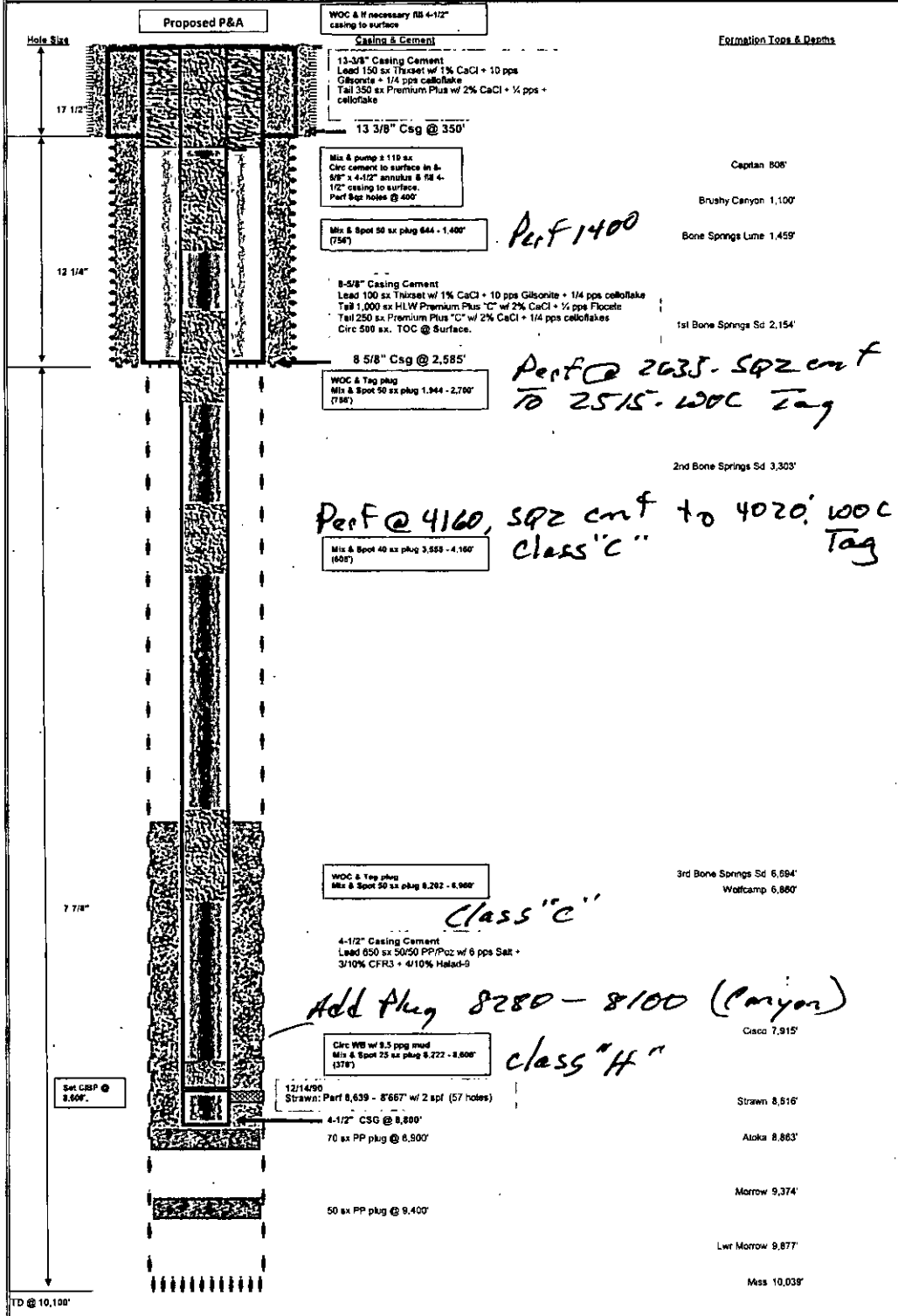
WELL NAME:	Texasville Fed Com No 1		FIELD:	Bandana Point (Strawn)			
LOCATION:	2,310' FSL & 1,650' FWL, Section 27, T-23-S, R-23E		COUNTY:	Eddy	STATE: NM		
ELEVATION:	GL: 4,188' (KB - 14') KB: 4,202'		SPUD DATE:	10/24/1990	COMP DATE: 12/15/1990		
AP#	30-015-26501	Fed Lic No NM-83032	PREPARED BY:	M Stewart			
	DEPTH	HOLE SIZE	SIZE	WEIGHT	GRADE	THREAD	CEMENT / TOC
CASING:	350'	17 1/2"	13 3/8"	48#	H-40	ST&C	500 sx / Surface
CASING:	2,585'	12 1/4"	8 5/8"	32#	J & K-55	ST&C	1,350 sx / Surface
CASING:	8,800'	7 7/8"	4 1/2"	11.8#	J-55	LT&C	650 sx / 6,328'
TUBING:							
TUBING:							

Plug and Abandon Wellbore

- 1 Test WSU anchors.
- 2 Set 250 bbl steel FB tank. All fluids must be contained to steel tanks and hauled to NMOCD approved disposal.
- 3 Bled 4-1/2" casing off to FB tank. Bled 8-5/8" x 4-1/2" annulus off to FB tank.
- 4 Set 1 - 500 bbl tank and fill tank w/ 300 bbls 9.5 cul BW for circulating & displacement.
- 5 Notify BLM Carlsbad office (575) 361-2822 and provide min 24 hr notification of commencement of P&A activities
- 6 MIRU WSU
- 7 ND flanged Christmas tree WH & NU 3M 7" BOP
- 8 PU on 2-3/8" tbg and work to release 4-1/2" x 2-3/8" Lok-Set pkr set @ 8,572'. Note packer has been in hole since original completion 12/90. If unable to release packer may make election to cut 2-3/8" tbg immediately above packer which will result in modification of CIBP setting depth.
- 9 POOH w/ 2-3/8" tbg & packer BHA.
- 10 MIRU cementing / plugging equipment
- 11 PU 4-1/2", 11.6 ppg, tubing set CIBP & RIH on 2-3/8" tbg to 8,600'. Set CIBP @ 8,600'. ✓
- 12 Circulate WB w/ ± 140 bbls 9.5 ppg mud laden fluid mixed w/ 40 sx Salt Gel in 140 bbls out BW.
- 13 Mix & spot 25 sx (33 cuft) Class "C" balanced cement plug (14.8 ppg, 1.32 cul/sx) from top of CIBP @ 8,600' to 8,222' (378' cement plug). - class "H"
- 14 PUH w/ 2-3/8" tbg to 8,820'. *Alt Plug from 8280 - 8100. Class H.*
- 15 Mix & spot 50 sx (66 cuft) Class "C" balanced cement plug (14.8 ppg, 1.32 cul/sx) from 8,920' to 6,202' (756' cement plug).
- 16 PUH and WOC.
- 17 RIH and tag TOC.
- 18 PUH w/ 2-3/8" tbg to 4,160'.
- 19 Mix & spot 40 sx (53 cuft) Class "C" balanced cement plug (14.8 ppg, 1.32 cul/sx) from 4,160' to 3,555' (605' cement plug). *Perf/ISOZ, WOC Tag*
- 20 PUH w/ 2-3/8" tbg to 2,700'.
- 21 Mix & spot 50 sx (66 cuft) Class "C" balanced cement plug (14.8 ppg, 1.32 cul/sx) from 2,700' to 1,944' (756' cement plug). *Perf/ISOZ, WOC Tag*
- 22 PUH and WOC.
- 23 RIH and tag TOC.
- 24 PUH w/ 2-3/8" tbg to 1,400'.
- 25 Mix & spot 50 sx (66 cuft) Class "C" balanced cement plug (14.8 ppg, 1.32 cul/sx) from 1,400' to 644' (756' cement plug). *Perf/ISOZ, WOC Tag*
- 26 POOH w/ 2-3/8" tbg.
- 27 RU E-Line. RIH w/ sqz guns and shot sqz holes @ 400'. RD E-Line.
- 28 PU 4-1/2" tension pkr & RIH on 2-3/8" WS to ± 350'. Set pkr and attempt to pump into sqz holes.
 - a. If successful, POOH w/ pkr and tbg. RU cementer on 4-1/2" casing. Mix and pump ± 110 sx Class C into sqz holes @ 400' and circulate cement down 4-1/2" casing filling 4-1/2" casing and 8-5/8" x 4-1/2" annulus to surface w/ cement. WOC.
 - b. If unable to pump into sqz holes POOH w/ 2-3/8" tbg & LD pkr. RIH w/ 2-3/8" WS OE to 450'. RU cementer. Mix & spot ± 30 sx plug from 450' filling 4-1/2" casing to surface. POOH w/ 2-3/8" tbg. WOC.
- 29 ND BOP and make visual confirmation that cement is at surface.
 - a. If no cement visible at surface RIH w/ 2-3/8" tbg, tag TOC and mix and pump required volume of cement to fill 4-1/2" casing to surface.
- 30 Cut off WH & casing strings 4' below GL.
- 31 RD & release all rental equipment. RD WSU.
- 32 Install NMOCD 4" P&A marker 10' length w/ 4' above GL inscribed w/ well name & No, operator name, lease SN, API No and legal location (Qtr/Qtr Section, Section, Township & Range).
- 33 Cut anchors. Fill cellar. Backdrag and dress location. Remove all production equipment, flowlines and trash.
- 34 Within 30 days after plugging complete & file Subsequent Report of Abandonment, Form 3160-5, to BLM Carlsbad office.

**Yates Energy Corp
Proposed P&A Wellbore Diagram**

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DEPTH	HOLE SIZE	SIZE	WEIGHT	GRADE	THREAD	CEMENT / YDC
CASING: 350'	17 1/2"	13 3/8"	48#	H-40	STAC	500 sx / Surface
CASING: 2,585'	12 1/4"	8 5/8"	32#	J & K-55	STAC	1,350 sx / Surface
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TUBING:						
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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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may 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 BOP must be installed and maintained as per API and manufacturer recommendations. 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 brine 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

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 BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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 three 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 will be required. See attached reclamation procedure.

J. Amos 3/6/11



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Linda Denniston
Environmental Protection Specialist
575-234-5974

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979