Form 3160-5 (April 2004)

X | Notice of Intent

Subsequent Report

Final Abandonment Notice

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMEN

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

SUNDRY NOTICES AND REPORTS

Do not use this form for proposals to drill or re enter abandoned well. Use Form 3160-3 (APD) for such proposals

5. Lease Serial No. NM-8673 6. If Indian, Allottee or Tribe Name

Well Integrity

CONTINUED ON NEXT DAGE.

	08 55	5/
SUBMIT IN TRIPLICAT	7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well Oil Well X Gas Well	Other Other	8. Well Name and No.
2. Name of Operator	Benson Deep AAZ Federal #1	
Yates Petroleum Corporation	9. API Well No.	
3a. Address	3b. Phone No. (include area code)	30-015-24775
105 S. 4th Str., Artesia, NM 882	210 505-748-1471	10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., OR S	Leo; Bone Spring, South	
		11. County or Parish, State
1980'FNL & 1980'FWL of Section 3	Eddy County, New Mexico	
12. CHECK APPROPRIAT	te box(es) to indicate nature of not	TCE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION	CTION	
	Acidiza	Production (Start / Resume) Water Shut-Off

13. Describe Proposed of 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 filled 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:

Alter Casing

Casing Repair

Change Plans

Convert to Injection

1. MIRU any safety equipment as needed. No casing recovery will be attempted 2. Set a CIRP at 2002, 501-1-2.

Fracture Treat

New Construction

Plug and Abandon

Reclamation

Recomplete

Water Disposal

Temporarily Abandon

- 2. Set a CIBP at 8003', 50' above the top of the Bone Spring perfs. Load the hole with plugging mud. Spot a 10 sx Class "C" cement plug on top of the CIBP at 8003'.
- 3. Spot a 15 sx Class "C" cement plug in the 4-1/2" casing at the TOC from 6100'-6200'.
- 4. Perforate 4 squeeze holes at 4600'. Place a balanced cement plug in the 4-1/2" casing and in the 7-7/8" casing from 4500'-4600' across the Delaware top. Load the hole with plugging mud and spot 50 sx Class "H" cement. WOC. Tag plug with tubing and reset if necessary.
- 5. Perforate 4 squeeze holes at 2600'. Place a balanced cement plug in the 4-1/2" casing and in the 7-7/8" casing from 2500'-2600'. Load the hole with plugging mud and spot 50 sx Class "C" cement.
- 6. Perforate 4 squeeze holes at 1950'. Place a balanced cement plug in the 4-1/2" casing and in the 7-7/8" casing from 1850'-1950' across the intermediate casing shoe. Load the hole with plugging mud and spot 50 sx Class "C" cement. WOC. Tag plug with tubing and reset if necessary.

			MINOLD ON MEXITAGE.
 I hereby certify that the foregoing is true and correct Name (Printed/Typed) 			
Tina Huerta	Title	Regulatory Compliance	SupAVSOPROVED
Signature (Lina) fuerta	Date	August 8, 2006	
THIS SPACE FO	OR FEDERAL O	R STATE OFFICE USE	AUG 15 2006
Approved by	Accep	oted for record	Date ACA
Conditions of approval, if any, are attached. Approval of this notice does certify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operations thereon.	not warrant or le subject lease	NMQCD A	ALEXIS C. SWØBODA PETROLEUM ENGINEER

Yates Petroleum Corporation Benson Deep AAZ Federal #1 Section 3-T19S-R30E Eddy County, New Mexico

Form 3160-5 continued:

- 7. Perforate 4 squeeze holes at 400'. Place a balanced cement plug in 4-1/2" casing and in the 7-7/8" casing from 300'-400' across the surface casing shoe. Load the hole with plugging mud and spot 50 sx Class "C" cement. WOC. Tag plug with tubing and reset if necessary.
- 8. Perforate 4 squeeze holes at 150'. Tie on to the 4-1/2" casing and pump 50 sx Class "C" cement, do not displace the cement. This should circulate cement to surface on the 4-1/2" x 9-5/8" annulus while leaving the 4-1/2" standing full of cement. 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

Regulatory Compliance Supervisor

August 8, 2006

Accepted for record NMOCD



