

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. DIV. - St. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

REVISED

2. Name of Operator

Yates Petroleum Corporation

APPROVED FOR 3 MONTH PERIOD

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)

660'FSL & 660'FWL of Section 17-T19S-R20E (Unit M, SWSW)

5. Lease Serial No

NM-103838

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Oso AVV Federal #1

9. API Well No

30-005-10431

10. Field and Pool, or Exploratory Area

Bear Canyon; Penn

11. County or Parish, State

Chaves 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 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. TOH with tubing and packer. Stretch and pull 4-1/2" at top of cement.
2. Spot a 25 sx Class "C" cement plug from 5921'-6021'. This puts a 100' plug across the top of the open Strawn perms and across the top of the Penn. WOC and tag plug.
3. Perforate and spot a 45 sx Class "C" cement plug from 2930'-3030'. This puts a 100' plug across the top of the Abo, inside and outside the casing. WOC and tag plug.
4. Spot a 30 sx Class "C" cement plug across the casing stub from 50' below and 50' above the stub. This puts a 100' plug across the top of the casing stub.
5. Spot a 35 sx Class "C" cement plug from 1740'-1840'. This puts a 100' plug across the inside and outside the casing. WOC and tag plug.
6. Spot a 30 sx Class "C" cement plug from 908'-1008'. This puts a 100' plug across the top of the Glendon, inside and outside the casing. WOC and tag plug.
7. Spot a 50 sx Class "C" cement plug from 170' up to the surface. This puts a 170' plug from surface and across the surface casing shoe. WOC and tag plug.
8. Remove all surface equipment, weld dry hole marker and clean location as 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

July 5, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

JUL - 9 2007

GARY GOURLEY
PETROLEUM ENGINEER

Date

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 interest in the subject lease, or that which would entitle the applicant to conduct operations thereon.

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.

GL- 4720'

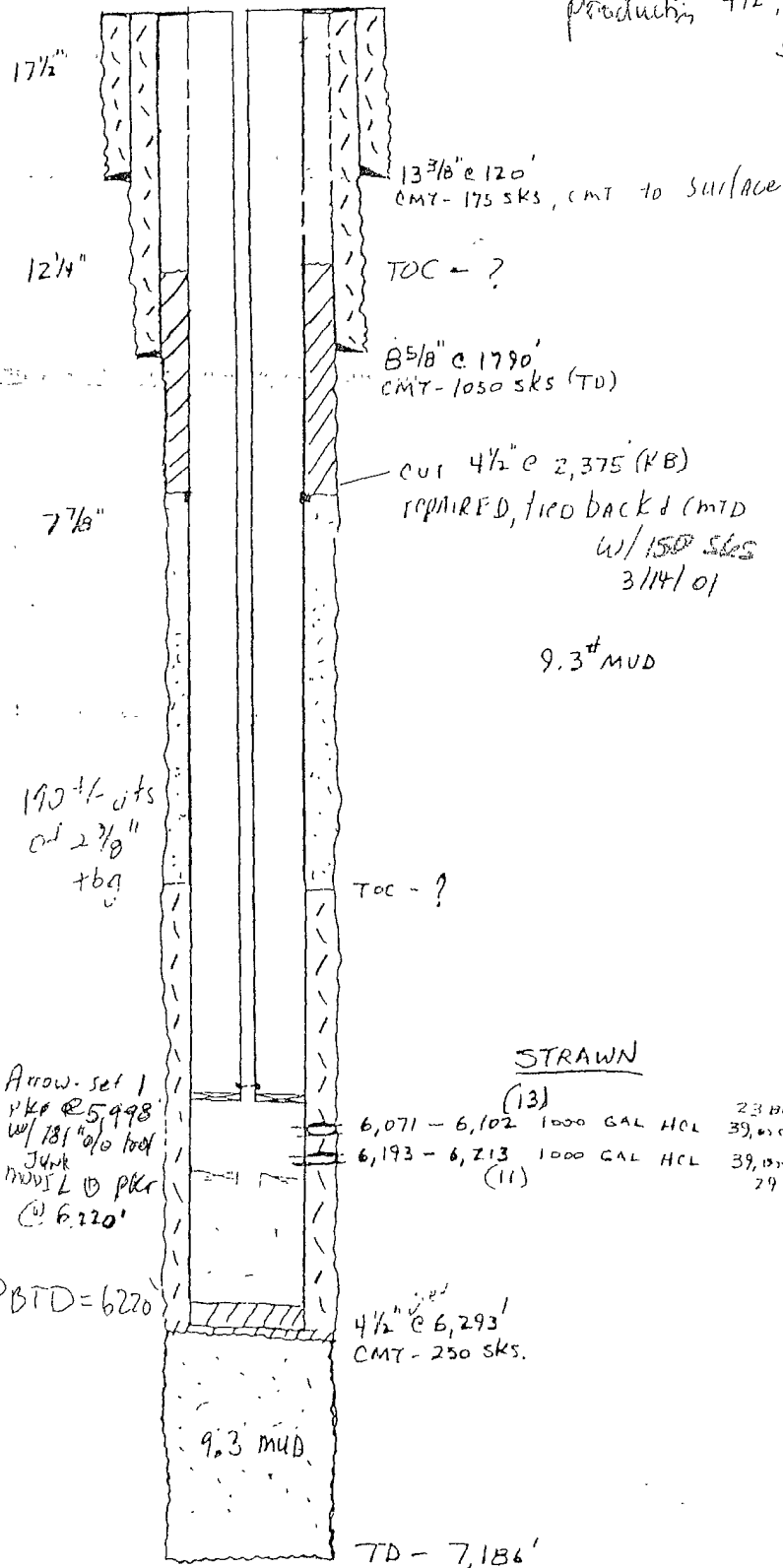
KB- 4732'

Surface 13 3/8", 48.0, H40 120'

Well: 8 5/8" 24" J-55 1790'

Production 4 1/2", 1160', 1105' 6,293'
J-55 111

BEFORE



DST:

#1 - 6062 - 6118
#2 - 6174 - 6277
#3 - 7065 - 7186

TOPS

GLORIEITA - 968
YESO - 1042
ABO - 2980
STRAWN - 6050
CHESTER - 6473
WORMFORD - 6934
DEVONIAN - 6980

STRAWN

(13)
6,071 - 6,102 1000 GAL HCL 23 BPM @ 3800 PSI 151P 1500 PSI
39,000 GAL 37,500 # SAND
(11)
6,193 - 6,213 1000 GAL HCL 39,000 GAL 37,500 # SAND
29 BPM @ 3400 PSI 151P - 2500 PSI

Accepted for record
NMOCD

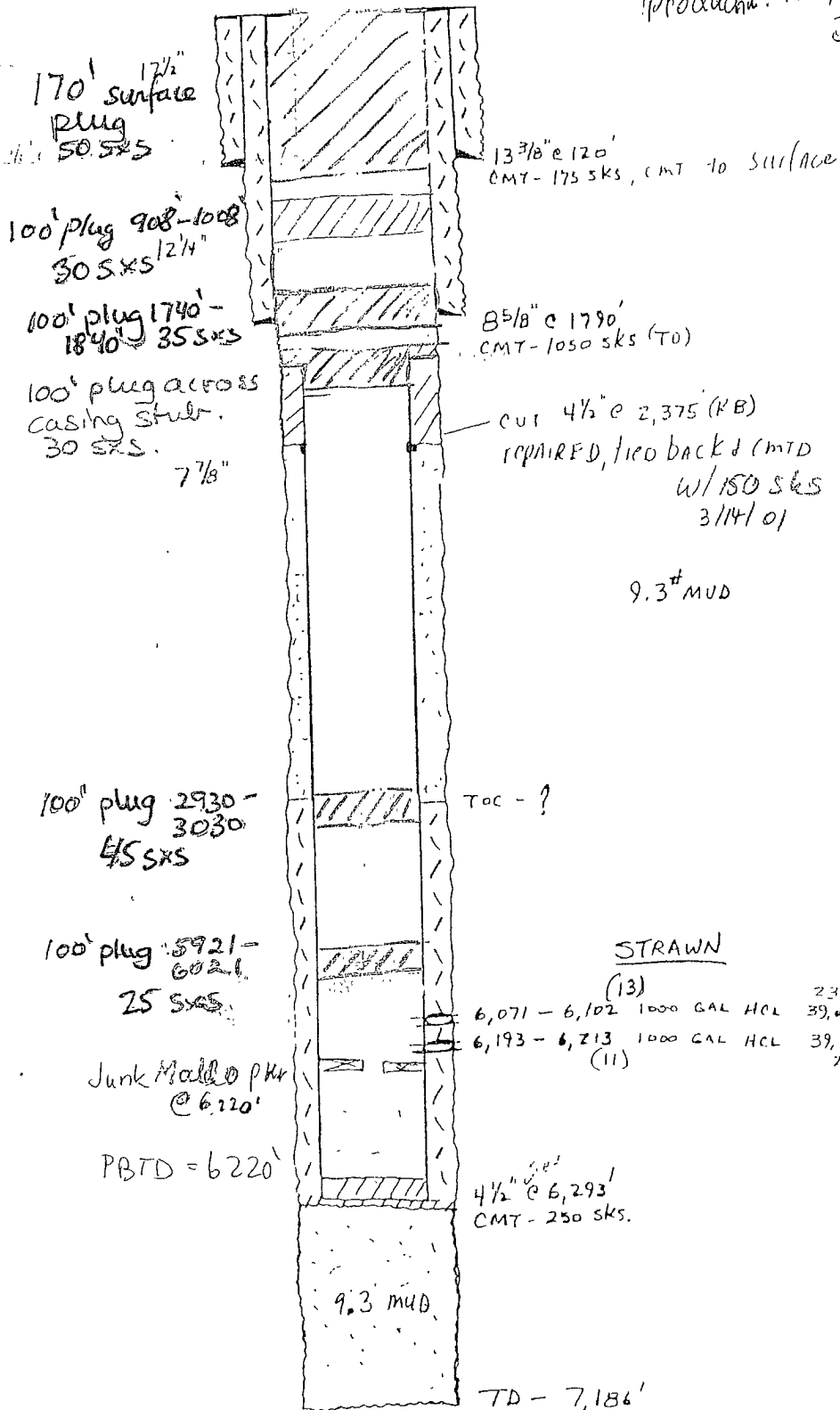
11/27/00 JWF

GL-4720'

KB-4732'

Surface 13 3/8", 48.0, H40 120'
i. mud 8 5/8" 24" J-55 1790'
production: 4 1/2", 1160", 110.50" 6,293'
J-55 1/4"

AFTER



DST:

#1 - 6062 - 6118
#2 - 6174 - 6277
#3 - 7065 - 7186

TOPS

GLORIE77A - 968
YESO - 1042
ABO - 2980
STRAWN - 6050
CHESTER - 6473
WOODWARD - 6934
DEVONIAN - 6980

STRAWN

(13)

6,071 - 6,102 1000 GAL HCL

6,193 - 6,213 1000 GAL HCL

(11)

23 BPM @ 3500 PSI 151P 1500 PSI

39,050 GAL 37,500" SAND

39,050 GAL 37,500" SAND

29 BPM @ 3400 PSI 151P - 7500 PSI

Accepted for record
NMOCD

1/27/00 JWF

**BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272**

**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; for wells in 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 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, the name of the operator, the lease serial number, the surveyed location (the 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.

**Accepted for record
NMOCD**