

MAY 15 2008

OCD-ARTESIA

Form C-103
October 25, 2007

Submit 2 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

S OIL CONSERVATION DIVISION
1220 South St. Francis Dr
Santa Fe, NM 87505

WELL API NO	30-005-61763
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-779
7. Lease Name or Unit Agreement Name	Chaves UY State
8. Well Number #1	
9. OGRID Number	025575
10. Pool name or Wildcat	Pecos Slope Abo

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other PA

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter A : 990 feet from the N line and 660 feet from the E line
Section 32 Township 8S Range 25E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</p>
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- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment
- Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- All other environmental concerns have been addressed as per OCD rules
- Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

* - See attached letter. Release from U.S. Fish + Wildlife Serv.
When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Michelle Taylor TITLE Reg. Compl. Mgr. DATE 5-14-08

TYPE OR PRINT NAME _____ E-MAIL: _____ PHONE 575-748-1471

APPROVED BY [Signature] TITLE Compl. Mgr. DATE 5/16/08
OK to Release

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
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January 4, 2008

U.S. Fish & Wildlife Service
Attn: Jeffrey M. Howland
4065 Bitter Lakes Road
Roswell, NM 88201

RECEIVED

MAY 12 2008

MAIL ROOM YPC

Re: Chaves "UY" State # 1 Well
Section 32, T2S, R25E, NMPM

Dear Mr. Howland:


The referenced well the Chaves "UY" State #1 was plugged on October 4 through October 6, 2007. The only remaining issue for this well is getting the surface reclamation for the well pad and road resolved. In order that we may close our files for this well we need written conformation from your office concerning the adequacy of the reclamation or the need of any additional reclamation or clean up of the pad and road.

If your agency is satisfied with the existing surface reclamation of pad and road will you please sign below releasing Yates Petroleum Corporation from any additional need for reclamation. If there is any additional work needing to be done will you please notify us at your earliest convince so that we may complete the additional reclamation as soon as possible.

We appreciate your working with on this project and hope to hear from you soon so that we may get this project completed.

If you have any question please call me at (575) 748-4479.

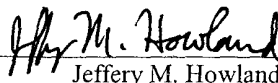
Sincerely,


Armando A. Lopez
Chief Regulatory Agent

The U.S. Fish & Wildlife Service has inspected the reclamation of the pad and road for the Chaves "UY" State #2 and finds the surface reclamation to be satisfactory and hereby release Yates Petroleum Corporation from doing any additional surface reclamation.

Date: 5/8/08

By:



Jeffery M. Howland
Bitter Lake Refuge Manager
U.S Fish & Wildlife Service

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ASSISTANT VICE PRESIDENT

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