

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV - 1 2008

OCD-ARTESIA

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

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

2. Name of Operator

Yates Petroleum Corporation

3a. Address

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

3b Phone No. (include area code)

575-748-1471

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

Surface - 1450'FSL & 790'FWL of Section 3-T22S-R24E (Unit L, NWSW)

BHL - 1304'FNL & 1009'FWL of Section 3-T22S-R24E (Unit D, NWNW)

5 Lease Serial No

NM-78213

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No

Walt Canyon AMA Federal #2-H

9. API Well No.

30-015-28129

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn Assoc.

11. County or Parish, State

Eddy County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other _____

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. No casing recovery will be attempted.
2. TIH with a packer and 2.875" tubing. Set packer at 7278' attempt to pump into the Canyon. If an injection rate can be established. WL set a retainer at 7278' and pump a 100 sx plug down into the Canyon formation. Wash up in the retainer after the cement job. This will set a plug at the top of the curve for the horizontal and leave a cement cap on top of it. If we cannot pump into the Canyon, pump a 500 gallon acid job to try and establish an injection rate. If after the acid job we still cannot pump into the Canyon, set cement plug as low as possible in the 7" casing and move up to the next plug.
3. Perforate 4 squeeze holes at 5450'. POOH with WL tools and TIH with 2.875" tubing and packer to pump a 65 sx plug. Displace the plug down to 5300'. Release the packer and reverse circulate the tubing clean. This will leave a 150' spacer plug on the inside and outside of the casing.
4. Perforate 4 squeeze holes at 4350'. POOH with WL tools and TIH with 2.875" tubing and packer to pump a 65 sx plug. Displace the plug down to 4200'. Release the packer and reverse circulate the tubing clean. This will leave a 150' spacer

ACCEPTED FOR RECORD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

CONTINUED ON NEXT PAGE:

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

NOV 3 - 2008

Title Regulatory Compliance Supervisor

Signature

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

Date October 23, 2008

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

OCT 26 2008

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.

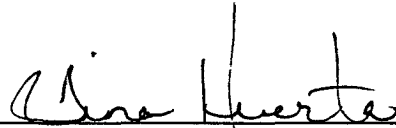
Office

JAMES A. AMOS
SUPERVISOR-EPS

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.

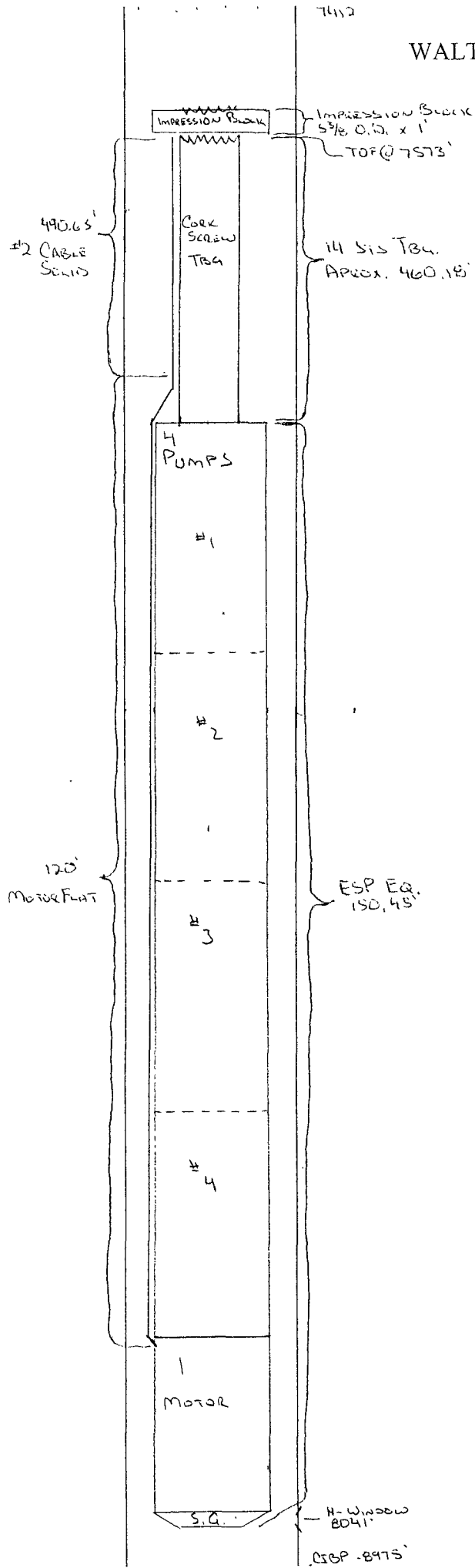
Form 3160-5 continued:

- plug on the inside and outside the casing.
5. Perforate 4 squeeze holes at 3246'. POOH with WL tools and TIH with 2.875" tubing and packer to pump a 65 sx plug. Displace the plug down to 3096'. Release the packer and reverse circulate the tubing clean. WOC and tag, if necessary reset the plug. This will leave a 150' plug across the Bone Spring top on the inside and outside the casing.
 6. Perforate 4 squeeze holes at 1666'. POOH with WL tools and TIH with 2.875" tubing and packer to pump a 65 sx plug. Displace the plug down to 1516'. Release the packer and reverse circulate the tubing clean. WOC and tag, if necessary reset the plug. This will leave a 150' plug across the surface casing shoe on the inside and outside the casing.
 7. Perforate 4 squeeze holes at 150'. POOH with WL tools and tie on to the 7" casing and pump a 65 sx plug. Do not displace the cement. WOC and tag, if necessary reset the plug. This will leave a 150' plug at the surface.
 8. Remove all surface equipment and weld dry hole marker per regulations.



Regulatory Compliance Supervisor
October 23, 2008

WALT CANYON AMA #2



WELL NAME: Walt Canyon AMA Federal #2H FIELD: Indian Basin Associated
 LOCATION: 1,450" FSL & 790' FWL of Section 3-22S-24E Eddy Co., NM
 GL: 4,027' ZERO: _____ KB: _____
 SPUD DATE: 10/6/2000 COMPLETION DATE: 1/28/2001 CASING PROGRAM
 COMMENTS: API No.: 30-015-281290

9-5/8" 36# J-55	<u>1,616'</u>
7" 29# N-80/P-110/L-80	<u>8,975'</u>
4-1/2" 11.6# P-110	<u>10,476'</u>

AS IS

TOPS	
BS	3,196'
WC	7,478'
Canyon	7,959'
Strawn	9,002'
Atoka	9,444'
Morrow	10,247'

14-3/4"
Hole

8-3/4" Hole

10-3/4" @ 1,616 w/ 300
sx (Circ)

TOC @ 8,030'

Pumps and electrical
wire and CT tubing
wrapped around it
151' pumps & 460'
Tubing
TOF @ 7572'
BOF @ 8,184'

Cut Casing @ 7,690'
Cmt Plug 7,508-7,690'
w/ 176 sx cmt

CIBP @ 9,990' w/19'
of cmt

6-1/8" Hole

7" @ 8,140' w/ 1100 sx

10,391' MD

7" @ 8,975' w/ 750 sx

Morrow Perfs: 10,096-10,340'

4-1/2" @ 10,460' w/ 195 sx cmt

TD: 10,460'

Not to Scale
10/17/08
DC/Hill

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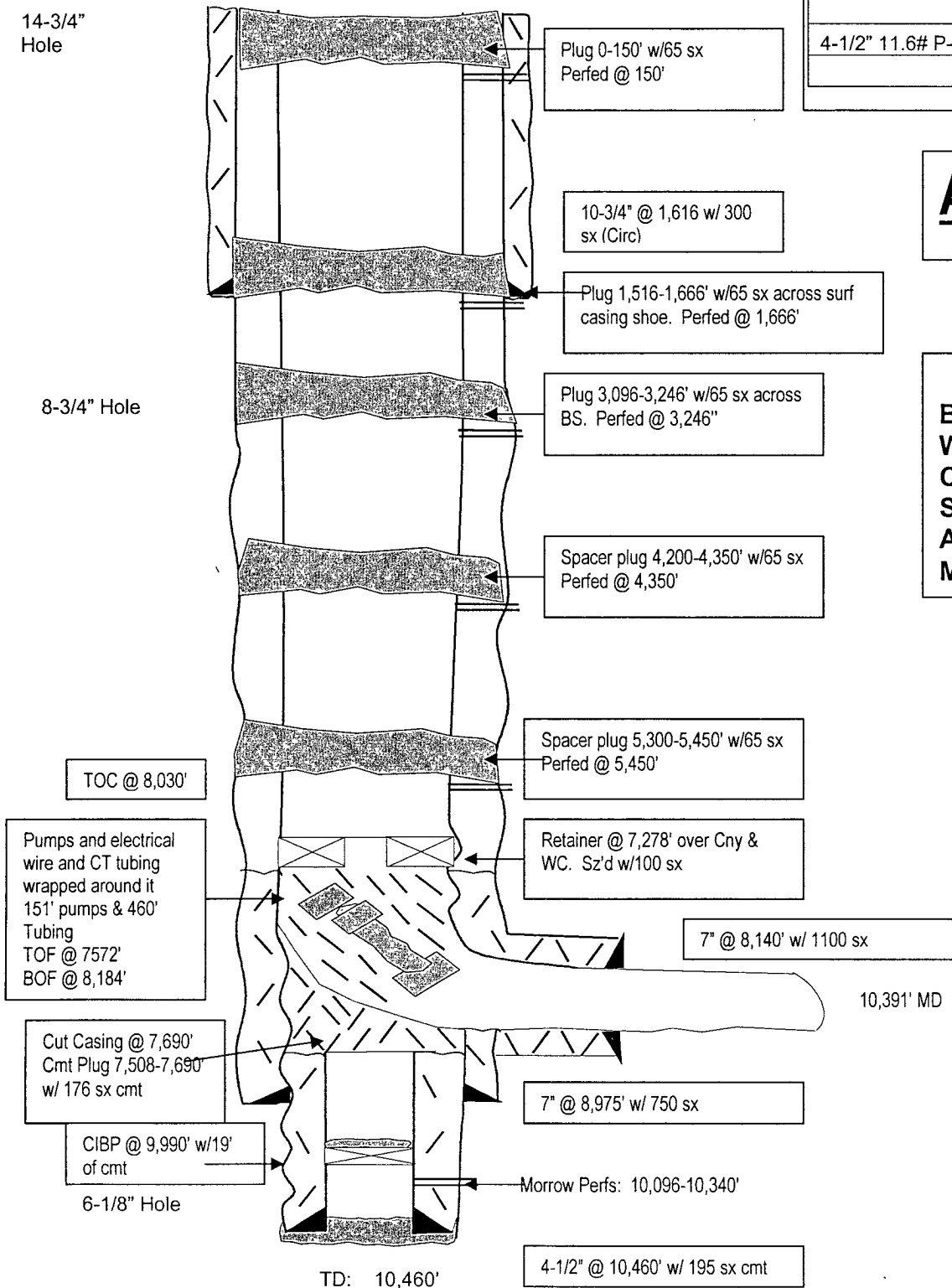
14-3/4"
Hole

After

8-3/4" Hole

TOPS

BS	3,196'
WC	7,478'
Canyon	7,959'
Strawn	9,002'
Atoka	9,444'
Morrow	10,247'



Not to Scale
 10/17/08
 DC/Hill

**Walt Canyon AMA Federal 2H
30-015-28129
Yates Petroleum Corporation
October 26, 2008
Conditions of Approval**

1. Ok
2. Ok – with the following addition: If a rate can be established and a retainer is set, displace all except a small amount of cement in the work string. Perforate as close to the retainer as possible and set a 175' plug inside and outside of the casing. If a retainer is not set, perforate as low as possible and set a 175' plug. These are the best options for the top of Wolfcamp plug. Plug is to be tagged whichever method is used.
3. Replaced by 175' plug in step 2.
4. Ok - tag plug
5. Ok
6. Ok
7. Ok
8. Ok

WWI 102608