

**RECEIVED**  
 JUN 18 2010  
 NMOC D ARTESIA

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
**OCD-ARTESIA**

FORM APPROVED  
 OMB No 1004-0137  
 Expires July 31, 2010

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**  
 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

1 Type of Well  
 Oil Well     Gas Well     Other Injection

2 Name of Operator  
 Yates Petroleum Corporation

3a Address    3b Phone No. (include area code)  
 105 S. 4th Str., Artesia, NM 88210    575-748-1471

4 Location of Well (Footage, Sec., T., R., M., OR Survey Description)  
 860'FNL & 860'FEL of Section 19-T19S-R25E (Unit A, NENE)

5 Lease Serial No  
 NM-0557142

6 If Indian, Allottee or Tribe Name  
 NA

7 If Unit or CA/Agreement, Name and/or No  
 NMNM-111025X

8 Well Name and No  
 NDDUP Unit #53

9 API Well No  
 30-015-26937

10. Field and Pool or Exploratory Area  
 Dagger Draw, Upper Penn, North

11 County or Pansh, State  
 Eddy County, New Mexico

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

RA 6/21/2010

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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

**RECLAMATION PROCEDURE ATTACHED**

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. NU BOP. RU all safety equipment as needed. No casing recovery will be attempted.
2. Set a CIBP at 7675' with 35' cement on top. This will place a plug over open Canyon perforations.
3. Spot a 160' cement plug from 5356'-5516'. This will leave a plug across Wolfcamp top.
4. Spot a 140' cement plug from 3383'-3523'. This will leave a plug across Bone Spring top.
5. Spot a 120' cement plug from 2040'-2160'. This will leave a plug across Glorieta top.
6. Spot a 150' cement plug from 1112'-1162'. WOC and tag plug, reset if necessary. This will leave a plug across surface casing shoe.
7. Spot a 100' cement plug to the surface. WOC and tag plug, reset if necessary. This will leave 100' surface plug
8. Remove all surface equipment and weld dry hole marker per regulations.

**SEE ATTACHED FOR CONDITIONS OF APPROVAL**

Due to the volume of wells we currently have plans to plug, both State/Fee and Federal, Yates Petroleum respectfully requests a time frame of 1 year to have commenced plugging operations and for this notice of intent to be in affect

14 I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed) Tina Huerta    Title Regulatory Compliance Supervisor

Signature *Tina Huerta*    Date June 2, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Dustin Winkler*    Title \_\_\_\_\_  
 Office \_\_\_\_\_

**APPROVED**  
 JUN 14 2010  
 /s/ Dustin Winkler  
 CARLSBAD FIELD 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELL NAME: NDDUP Unit #53 FIELD: Dagger Draw

LOCATION: 860' FNL & 860' FEL of Section 19-19S-25E Eddy Co., NM

GL: 3,573' ZERO: \_\_\_\_\_ KB: \_\_\_\_\_

SPUD DATE: 4/10/92 COMPLETION DATE: 5/18/92

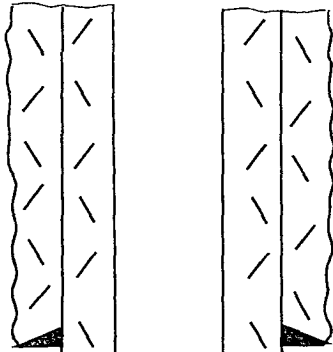
COMMENTS: API No.: 30-015-26937

(Formerly Ross EG Fed Com #5)

**CASING PROGRAM**

9-5/8" 36#	<b>1,161'</b>
7" 26# N80/J-55'	<b>8,230'</b>

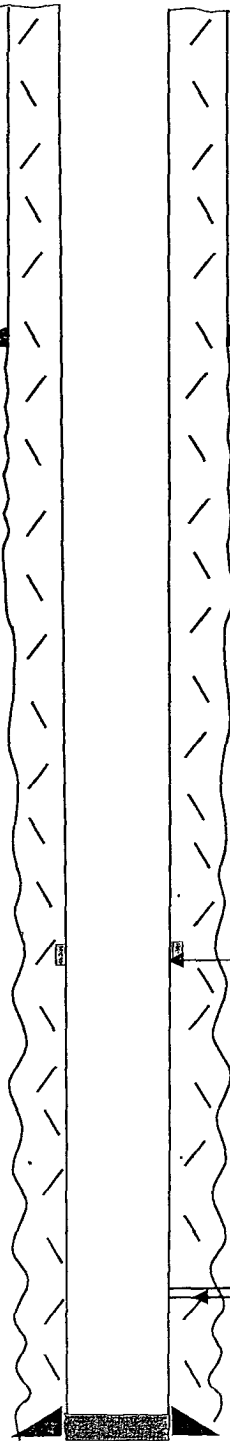
14-3/4" Hole



9-5/8" @ 1,112' w/1,025 sx (Circ)

**Before**

8-3/4" Hole



DV tool @ 5,775'

Perfs: 7,725-41'; 7,775-7,809';  
7,827-43'; 7,881-82'

<b>TOPS</b>	
SA	625'
Glorieta	2,110'
BS Lm	3,473'
3 <sup>rd</sup> BS Sd	4,608'
WC	5,466'
Canyon Lm	7,584'
T. Canyon Dolo	7,718'
B. Canyon Dolo	7,935'

PBTD: 8,183'  
TD: 8,230'

7" @ 8,230' w/  
1<sup>st</sup> Stage: 675 sx  
2<sup>nd</sup> Stage: 1075 (Circ)

Not to Scale  
1/26/10  
DC/Hill

WELL NAME: NDDUP Unit #53 FIELD: Dagger Draw

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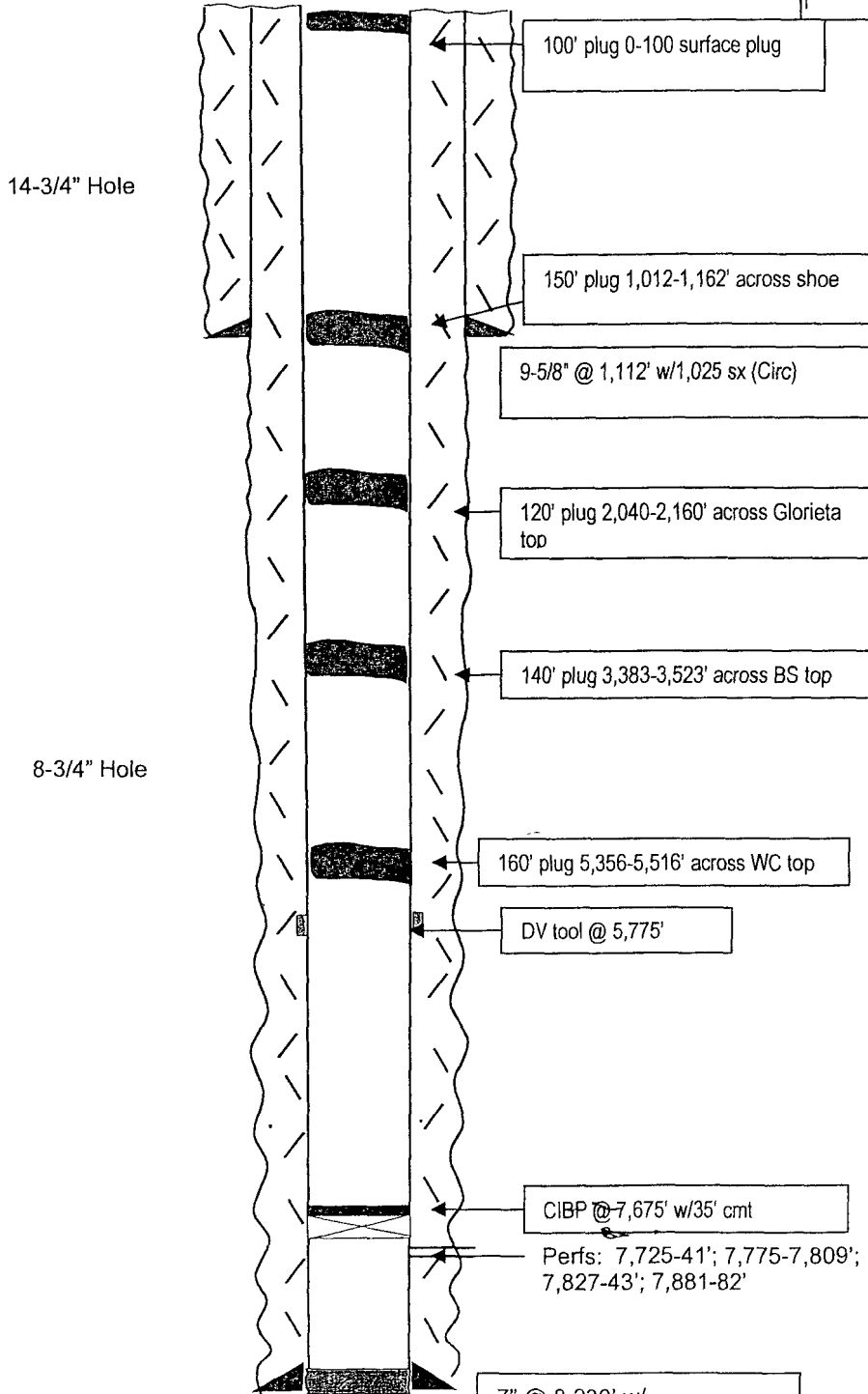
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(Formerly Ross EG Fed Com #5)

**CASING PROGRAM**

9-5/8" 36#	<b>1,161'</b>
7" 26# N80/J-55'	<b>8,230'</b>



**After**

<b>TOPS</b>	
SA	625'
Glorieta	2,110'
BS Lm	3,473'
3 <sup>rd</sup> BS Sd	4,608'
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Not to Scale  
1/26/10  
DC/Hill

Yates Petroleum Corporation  
NM-0557142: NDDUP Unit #53  
API: 30-015-26937  
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

H2S monitoring equipment is to be on site. All plugs to be a minimum 25sx.

1. OK
2. OK (Perfs)
- 2a. Spot a 160' plug from 5825-5665'. WOC and tag at 5665' or shallower (DV Tool)
3. OK (Wolfcamp)
4. OK (Bone Spring)
5. OK (Glorietta)
6. Tag at 1012' or shallower – Otherwise OK (Casing shoe)
7. OK (Surface)
8. Verify Cement to surface in all annuluses – Otherwise OK.
9. Submit a subsequent report to the BLM.

This P&A is approved for the plugging to be complete within one year.

See attached standard COAs.

Operator to submit Unit Plan of Development. No plan has been submitted since the initial plan filed when the unit was formed.

DHW 061010

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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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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. In lieu of a cement plug in a cased hole, 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

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.

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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 when the wellhead is cut off to verify that cement is to surface in the casing and all annuluses.** 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, 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 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 will be required. See attached reclamation procedure.

DHW 112309

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# 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

### Interim Reclamation 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.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

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). Interim reclamation is to be completed within 6 months of well completion.

3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. 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.
4. 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.
5. 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 there are any questions, please feel free to contact any of the following specialists:

Jim Amos  
Supervisory Environmental Protection Specialist  
575-234-5909, 575-361-2648 (Cell)

Cody Layton  
Natural Resource Specialist  
575-234-5959

Terry Gregston  
Environmental Protection Specialist  
575-234-5958

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612

Bobby Ballard  
Environmental Protection Specialist  
575-234-2230

Todd Suter  
Surface Protection Specialist  
575-234-5987

Randy Rust  
Environmental Protection Specialist  
575-234-5943

Doug Hoag  
Civil Engineering Technician  
575-234-5979

Linda Denniston  
Environmental Protection Specialist  
575-234-5974

Jennifer Van Curen  
Environmental Protection Specialist  
575-234-5905

Justin Frye  
Environmental Protection Specialist  
575-234-5922

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