

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.

NM-76938

6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other PA

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)

660'FSL & 660'FWL of Section 25-T20S-R24E (Unit M, SWSW)

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

NM-87880

8. Well Name and No.

Staghorn AJG Federal #1

9. API Well No.

30-015-26809

10. Field and Pool or Exploratory Area

South Dagger Draw Upper Penn

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 must 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 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 work has been completed.

Yates will continue to monitor until BLM objectives have been met. A Final Abandonment Notice

will be submitted when the potential for successful revegetation is established.

RECEIVED
MAY 20 2011
NMOCD ARTESIA

ACCEPTED FOR RECORD
MAY 18 2011
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Craig Aton

Title Regulatory Compliance Technician

Signature

Date January 24, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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.

(Instructions on page 2)

5/23/2011

Accepted for record
NMOCD

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

RE: NM76938; Staghorn AJG Federal #1
660' FSL & 660' FWL, Section 25, T20S-R24E
Eddy County, New Mexico

Inspection Results: Issues identified

1. Scrap lengths of drill cable on the reserve pit area.
2. There is an area on the northwest edge of the reserve pit with cuttings exposed. Didn't extend the cap to the full extent of the pit area. Cuttings and little to no vegetation.

These issues will need to be addressed prior to Final Abandonment. As for the rest of the location, we're seeing good revegetation over the entire site. On its current path we could probably see closure after another growing season.

If any questions, please contact Jim Amos at 575-234-5909.

Thanks,