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FORM APPROVED UNITED STATES Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 5. Lease Designation and Serial No. RUREAU OF LAND MANAGEMENT NM-13731 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. ∑ Oil Gas Well Gorman JP Federal #1 2. Name of Operator 9. API Well No. (505) 748-1471) YATES PETROLEUM CORPORATION 30-015-00971 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area 105 South 4th St., Artesia, NM 88210 Dayton Grayburg 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State NWSW of Section 28-T18S-R27E (Unit L) 1980' FSL + 330'FUL Jun 2 0 1996 Eddy Co., NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment New Construction Recompletion Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Final Ahandonment Notice Altering Casing __ Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Propose to plug and abandon well as follows: Set CIBP at 1600' and cap with 35' of cement. Spot a cement plug from 181' to surface. Install regulation abandonment marker. NOTIFY BLM-CARLSBAD (505-887-6544) 24 HOURS PRIOR TO COMMENCING PLUGGING OPERATIONS 14. I hereby certify that the foregoing is true and correct Production Clerk Approved by ________ Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes 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.

attached.

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Conditions of Approval for the Permanent Abandonment of Federal Wells

Failure to comply with the following Conditions of Approval may result in a Motice of Incidents of Moncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within 90 days from the approval date of this Motice of Intent to Abandon.
- 2. <u>Motification</u>: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Eddy County call (505) 887-6544; for wells in Lea County call (505) 393-3612.
- 3. <u>Blowout Preventers</u>: 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. <u>Mud Requirement</u>: 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. <u>Cement Requirement</u>: 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.

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.