Form 3160-5 (2005) June 1990) Artesia NM 88210 C/S UNITED STATES Budget Bureau No. 1004-0135 *DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-0487738 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 RECEIVED SUBMIT IN TRIPLICATE 1. Type of Well Oil Well 8. Well Name and No. X Gas Well Federal AB Com #5 2. Name of Operator 9. API Well No. (505) 748-1471 YATES PETROLEUM CORPORATION 3. Address and Telephone No. 30-015-22423 10. Field and Pool, or Exploratory Area Penasco Draw Atoka/Penasco Draw Permo Penn 105 South 4th St., Artesia, NM 88210 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1980' FSL & 660' FWL of Section 21-T18S-R25E (Unit L, NWSW) 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 X Notice of Intent Abandonment **New Construction** Recompletion Non-Routine Fracturing Plugging Back ■ Subsequent Report Water Shut-Off Casing Repair Altering Casing Conversion to Injection Final Abandonment Notice Dispose Water Other (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: Nipple down tree, nipple up and test BOP. POOH with tubing and packer. POOH with RBP at 8497'. Set CIBP at 8550' and cap with 35' of cement to abandon Morrow perforations. Set CIBP at 8400' and cap with 35' of cement to abandon Atoka perforations. Set CIBP at 6450' and cap with 35' of cement to abandon Canyon perforations. Determine free point of 4-1/2" casing (should be about 6200'). Cut and pull as much casing as possible. Top of cement is at 6210'. Spot 50 sack cement plug (150' plug in open hole) on top of 4-1/2" casing stub. Fill hole with 10.0 ppg salt gel containing 25#/barrel of water. Spot 50 sack cement plug from 4230-4080' to cover top of Abo at 4162'. Tag plug. Spot 50 sack cement plug from 2170-2020' to cover top of Glorieta at 2104'. Tag plug. 9. Spot 44 sack cement plug from 1170-1020' to cover intermediate casing shoe at 1100'. 10. Spot 27 sack cement plug from 380-280' across surface casing shoe at 335'. 11. Spot 27 sack cement plug from 100' to surface. Install regulation abandonment marker. NOTE: NOTIFY BLM (887-6544) 24 HOURS PRIOR TO COMMENING PLUGGING OPERATIONS. 14. I hereby certify that the foregoing is true and correct Production Clerk Title Signed (This space for Federal of State office use PETROLEUM ENGINEER (ORIG. SGD.) JOE G. LARA

NM UIL CONS COMMISSION

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.

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Permanent Abandonment of Wells on Federal Lands

Conditions of Approval

- 1. Approval: Plugging operations shall commence within 90 days from the approval date of plugging procedure.
- 2. <u>Notification:</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. <u>Subsequent Plugging Reporting:</u> 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 <u>date</u> 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.