Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR

M OIL	CONS	COMMISS	TON
Drawer	DD MM	88210 M APPROVED	
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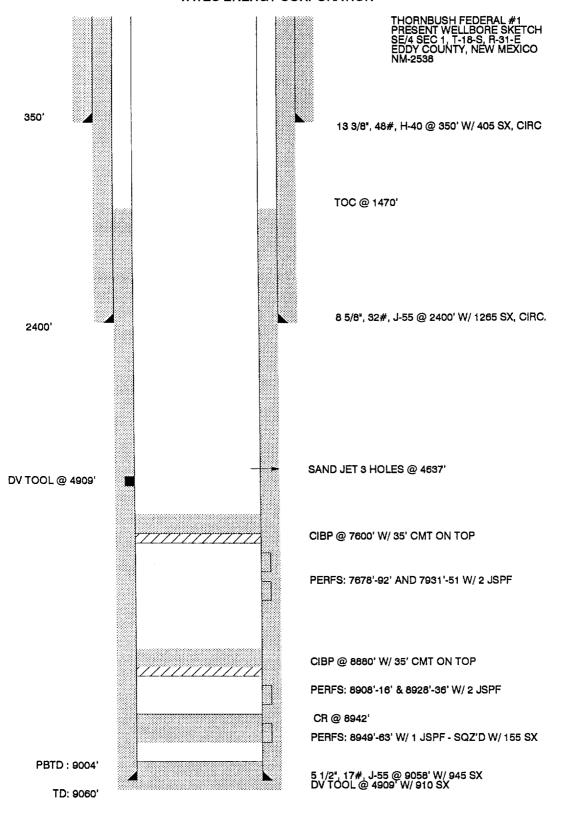
Budget Bur	eau No.	
Expires:	March	31, 1993

SUNDRY NOTICES AND REPO	5. Lease Designation and Serial No.		
Do not use this form for proposals to drill or to dee Use "APPLICATION FOR PERMIT-	6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLI	7. If Unit or CA, Agreement Designation		
1. Type of Well Oil Well Well Other			
2. Name of Operator			8. Well Name and No. THOUSENSUSH FROM L
YATES ONERGY CORPORATION			9. API Well No.
3. Address and Telephone No.			30 - 05 - 26256
P.O. BOX 2323 ROSWELL, NM	88202	525-623-9935	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			SUGART MORTH (SA)
330' FSL + 1980' FWL		\checkmark	11. County or Parish, State
SECTION 1 , T-18-5, R-31-E			EDDY, NEW MENCO
CHECK APPROPRIATE BOX(s) TO INDIC	CATE NATURE	OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
Notice of Intent	Abandonment		Change of Plans
	Recompletion		New Construction
Subsequent Report	Plugging Back		Non-Routine Fracturing
	Casing Repair		Water Shut-Off
Final Abandonment Notice	Altering Casing		Conversion to Injection
	Other		Dispose Water
Describe Proposed or Completed Operations (Clearly state all pertinent details, give subsurface locations and measured and true vertical deaths for all pertinents.)			(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
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		Beceive	
		SEP 2 6 1995	C
		nn (3/3/0n 13/0n	(I)
	0	il con. Di	y. E
		DIST. 2	66. E
4. I hereby certify that the foregoing is true and correct			

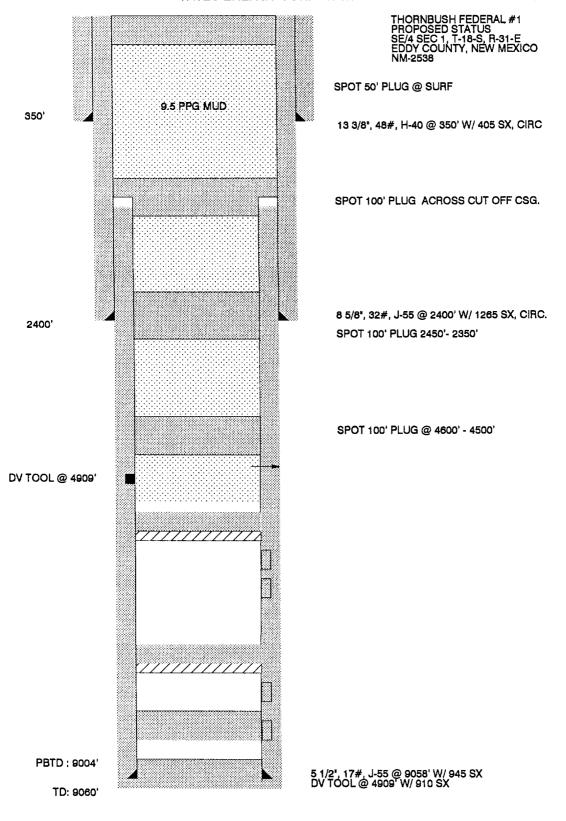
(This space for Federal or State office use) PETROLEUM ENGINEER

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.

YATES ENERGY CORPORATION



YATES ENERGY CORPORATION



BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Permanent Abandonment of Wells on Federal Lands

Conditions of Approval

- 1. <u>Approval:</u> 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.