|  |   |                           | ~15  |   |  |            |                             |
|--|---|---------------------------|--|---|--|------------|-----------------------------|
| Form 3160-5 UNIT<br>December 1989) DEDADTMEN   | NM OIL CONS C<br>TED STATES Drawer DD<br>T OF THE INTERIORA, NM |                           | FORM APPROVED<br>Budget Bureau No. 1004-0135   |   |  |            |                             |
| BUREAU OF I  | AND MANAGEMENT  |                           | Expires: September 30, 1990 5. Lease Designation and Serial No.  |   |  |            |                             |
|  | AND REPORTS ON WELLS  |                           | NM-01119   |   |  |            |                             |
| Do not use this form for proposals to drill o  |   | it reservoir.             | 6. If Indian, Allottee or Tribe Name   |   |  |            |                             |
| SUBMIT IN TRIPLICATE   |   |                           | 7. If Unit or CA, Agreement Designation  |   |  |            |                             |
| 1. Type of Well<br>Oil X Gas<br>Well Well Other  |   |                           | 8. Well Name and No.   |   |  |            |                             |
| 2. Name of Operator<br>EXXON CORPORATION ATTN: REGULATORY AFFAIRS<br>3. Address and Telephone No.<br>P. O. BOX 1600 MIDLAND, TX 79702 (915) 688-6782 |   |                           | YATES C FEDERAL<br>31<br>9. API Well No.<br>3001524566<br>10. Field and Pool, or Exploratory Area<br>ALCRAN HILLS ATOKA GAS  |   |  |            |                             |
|  |   |                           |  | 4. Location of Well (Footage, Sec., T., R., M., or Survey Descrip<br>1830' FSL & 1980' FEL, S |  | JUL 13.'94 | 11. County or Parish, State |
|  |   |                           |  |   |  |            | EDDY NM                     |
| 12. CHECK APPROPRIATE BOX(   | s) TO INDICATE NATURE OF NOTIC                                  |                           | THER DATA  |   |  |            |                             |
| TYPE OF SUBMISSION   |   | TYPE OF ACTION            |  |   |  |            |                             |
| Notice of Intent   | Abandonment   |                           | Change of Plans  |   |  |            |                             |
| Subsequent Report  | Recompletion<br>Plugging Back                                   |                           | New Construction   |   |  |            |                             |
|  | Casing Repair   |                           | Water Shut-Off   |   |  |            |                             |
| Final Abandonment Notice   | Altering Casing   | CONT. SI ST               |  |   |  |            |                             |
| 13. Describe Proposed or Completed Operations (Clearly state all   |   | Recompletion Report an    |  |   |  |            |                             |
| REQUEST CONTINUANCE OF S<br>WELL IS SI BECAUSE IT CA<br>LINE IT IS CONNECTED TO.   | NNOT PRODUCE DUE TO   |                           | ESSURE OF THE GAS  |   |  |            |                             |
|  |   |                           |  |   |  |            |                             |
|  |   |                           | JUN IS IU 59   |   |  |            |                             |
| 14. I hereby ceptify that the foregoing is forty and represent   | Alex M. Corr  | ea                        | ECEIVED<br>IU 59 ÅA .gy  |   |  |            |                             |
| signed CCCFMCorr   | Title Sr. Regulato  | ry Speciali               | LST Date 06/08/94  |   |  |            |                             |
| A CININAL ON   | Title Sr. Regulato  | ry Speciali<br>M EngintER | $\frac{1}{59} \frac{1}{59} \frac$ |   |  |            |                             |



## United States Department of the Interior



RE: NM01119; Yates C Federal Nos. 12, 14, 15, 18 & 31 Sec. 31, T20S, R28E Eddy County, New Mexico

Gentlemen:

Our records show the above referenced wells are operated by you and are reported as Shut-In (SI) or Temporarily Abandoned (TA). The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion. According to our records the wells referenced above have been shut-in for 5 months or longer or have been temporarily abandoned without authorization. 43 CFR 3162.3-4 (c) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Accordingly, you are to take one of the following actions for each well listed:

- 1. Return the well to production or beneficial use.
- 2. Plug and abandon the well.
- 3. Request approval for temporary abandonment and include a schedule for casing integrity testing.

If you decide to return the wells to production or beneficial use, submit a Sundry Notice of intent within 30 business days of receipt of this letter. Include the date you anticipate the wells being placed back in service. Use Form 3160-5 and submit the original and 5 copies for each well. re CFR 3162.4-1(c) also requires you to notify the Authorized Officer, not later than the fifth business day after production is resumed for any well which has been off production for more that 90 days, the date on which such production was resumed. Notification may be by letter or Eundry Notice, or brally followed by letter or Eundry Notice.

If you decide to plug and abandon the wells, submit a separate Sundry Motice (Form 3160-5) original and 5 copies) for each well within 30 business days of receipt of this letter and describe the proposed plugging program.

If you decide to temporarily abandon the wells, submit a Sundry Notice (Form 3160-5, original and 5 copies) within 30 business days of medelpt of this letter, and state your justification for carrying the wells in a Temporarily Abandoned status. Justification must include the reasons why the wells should not be permanently plugged and abandoned, if the wells are to be used for beneficial use will suffice. Beneficial use includes, but is not limited to, recompletion to other norizons, conversion to injection for percentary or enhanced recovery, and salt water disposal. Approval for temporary abandonment may be denied if the Authorized officer fetermines your justification is not reasonable.

Under provisions of 43 CFR 3165.3, you may request a State Director Review (SDR) of the orders described above. Such a request including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR Part 4.

For monitoring and tracking purposes, please submit appropriate paperwork to this office Attention: Jim Amos.

If you have any question, contact Jim Amos or Joe Lara at (505) 387-6544.

Sincerely,

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RICHARÓ L. Manus Area Manager Carlsbad Resource Area

2 Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Callsbad Resource Area Headquarters P.O. Box 1778 Callsbad, New Mexico 382211-1778

OFFICIAL BUSINESS PENAL IY FOR PRIVATE USE, \$300



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P O BOX 1600 MIDLAND, TX 79702

EXXON COMPANY USA AUTANTION: REGULATORY AFFAIRS (Rev. 5/23/94)

## BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

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## Temporary Abandonment of Wells on Federal Lands

## Conditions of Approval

According to 43 CFR 3162.3-4-c, " No well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer".

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

- 1. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County call (505) 887-6544 ; for wells in Lea County call (505) 393-3612.
- 2. A bridge plug or packer shall be set at a maximum of 50 feet above any open perforations or open hole.
- 3. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
- 4. The production casing shall be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leak-off.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for 12 months provided that the operator:

1. Submits a subsequent Sundry Notice requesting TA approval,

2. Attaches a clear copy or the original of the pressure test chart,

3. And attaches a detailed justification why the well should not be plugged and abandoned.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.