

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

2310'FSL & 660'FEL of Section 13-T21S-R26E (Unit I, NESE)

5. Lease Serial No.

NM-0489599

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Arco EI Federal #1

9. API Well No.

30-015-21591

10. Field and Pool, or Exploratory Area

Undesignated Bone Spring

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 | | | |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. Rig up all safety equipment as needed.
2. Perforate 4 squeeze holes at 4787'. Tie onto casing and establish circulation. After circulation has been established, TIH with packer and set at a safe distance above the squeeze perforations. Pump 50 sx Class "C" cement. Displace cement to 4618'. This will leave a plug across the BS top at 4668' while meeting the 2000' plug spacing requirement in open or non-cemented hole. WOC and tag.
3. Perforate 4 squeeze holes at 2750'. Tie onto casing and establish circulation. After circulation has been established, TIH with packer and set at a safe distance above the squeeze perforations. Pump 50 sx Class "C" cement. Displace the cement to 2650'. This will leave a plug across intermediate casing shoe. WOC and tag.
4. Perforate 4 squeeze holes at 550'. Tie onto casing and establish circulation. After circulation has been established, TIH with packer and set at a safe distance above the squeeze perforations. Pump 50 sx Class "C" cement. Displace the cement to 450'. This will leave a plug across surface casing shoe. WOC and tag.
5. Perforate 4 squeeze holes at 150'. Tie onto casing and establish circulation. After circulation has been established, Pump 50 sx Class "C" cement. Do not displace the cement. This will leave 150' surface plug. WOC and tag. Cut off wellhead and install dry hole marker as per regulations.

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

February 20, 2007

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

**Accepted for record
NMOCD**

WELL NAME: Arco "EI" Federal No. 1 FIELD: _____
 LOCATION: 2,310' FSL & 660' FEL Sec 13-21S-26E Eddy County
 GL: 3220' ZERO: _____ KB: 3235'
 SPUD DATE: 07-28-75 COMPLETION DATE: 09-11-75
 COMMENTS: API No. 30-015-21591

CASING PROGRAM

| | |
|----------------------|---------|
| 13-3/8" 48# J55 ST&C | 525' |
| 8-5/8" 32# K55 ST&C | 462' |
| 8-5/8" 24# K55 ST&C | 2,238' |
| 5-1/2" 20# N80 LT&C | 589' |
| 5-1/2" 17# N80 LT&C | 10,453' |
| 5-1/2" 20# N80 LT&C | 481' |
| 2.375" 4.7# N-80 EUE | |

17-1/2" Hole

12-1/4" Hole

13-3/8" @ 525'
w/ 500 sx (circ)

8-5/8" @ 2,700'
w/ 1,400 sx (circ)

Est. TOC @ 6,050'

CIBP @ 6,787' w/ 35' cement

7-7/8" Hole

CIBP @ 8,950' w/ 35' cement

Squeeze Perfs: 9,200' (4),
Retainer @ 9,173' squeezed w/
775 sx.

Original TOC @ 10,520'

CIBP @ 10,590' w/ 35' cement

CIBP @ 10,900' w/ 35' cement

CIBP @ 11,107' w/ 35' cement

Cement Plug @ 11,240 -
11257'

CIBP @ 11,265' w/ 35' cement

Bone Springs Perfs: 6,837' - 58',
6,900' - 14' (12)

Perfs: 7,829' - 8,218' (22)

WC Perfs: 8,960' - 9,035' (15)

Atoka Perfs: 10,610' - 10,615 (11)

Atoka Perfs: 10,974' - 11,002 (18)

Morrow Perfs: 11,134' - 11,142'
(33), Squeezed w/ 100 sx.

Morrow Perfs: 11,223' - 28', 11,248' - 52'

Morrow Perfs: 11,296' - 11,300

5-1/2" @ 11,536'

Before

TOPS:

| | |
|------------------------------|---------|
| Delaware | 2,673' |
| 2 nd Bone Springs | 4,668' |
| 3 rd Bone Springs | 8,334' |
| Wolfcamp | 8,694' |
| Strawn | 10,056' |
| Atoka | 10,220' |
| Morrow | 10,949' |
| L. Morrow | 11,262' |

Accepted for record
NMOCD

Not to Scale

5/16/07
DC/Hill

WELL NAME: Arco "El" Federal No. 1

FIELD:

LOCATION: 2,310' FSL & 660' FEL Sec 13-21S-26E

Eddy County

GL: 3220' ZERO: KB: 3235'

SPUD DATE: 07-28-75 COMPLETION DATE: 09-11-75

COMMENTS: API No. 30-015-21591

CASING PROGRAM

| | |
|----------------------|---------|
| 13-3/8" 48# J55 ST&C | 525' |
| 8-5/8" 32# K55 ST&C | 462' |
| 8-5/8" 24# K55 ST&C | 2,238' |
| 5-1/2" 20# N80 LT&C | 589' |
| 5-1/2" 17# N80 LT&C | 10,453' |
| 5-1/2" 20# N80 LT&C | 481' |
| 2.375" 4.7# N-80 EUE | |

17-1/2" Hole

13-3/8" @ 525'
w/ 500 sx (circ)

12-1/4" Hole

8-5/8" @ 2,700'
w/ 1,400 sx (circ)

Est. TOC @ 6,050'

CIBP @ 6,787' w/ 35' cement

7-7/8" Hole

CIBP @ 8,950' w/ 35' cement

Squeeze Perfs: 9,200' (4),
Retainer @ 9,173' squeezed w/
775 sx.

Original TOC @ 10,520'

CIBP @ 10,590' w/ 35' cement

CIBP @ 10,900' w/ 35' cement

CIBP @ 11,107' w/ 35' cement

Cement Plug @ 11,240 -
11257'

CIBP @ 11,265' w/ 35' cement

Perf sqz holes
@150
Cmt plug 150-
Sur w/50 sxPerf sqz holes
@550
Cmt plug 450-550
w/50 sxPerf sqz holes @2,750'
Cmt Plug 2,650-2,750' w/50 sx
cmtPerf sqz holes @ 4,787'
Cmt Plug 4,618-4,668 across
BS topBone Springs Perfs: 6,837' - 58',
6,900' - 14' (12)

Perfs: 7,829' - 8,218' (22)

WC Perfs: 8,960' - 9,035' (15)

Atoka Perfs: 10,610' - 10,615 (11)

Atoka Perfs: 10,974' - 11,002 (18)

Morrow Perfs: 11,134' - 11,142'
(33), Squeezed w/ 100 sx.

Morrow Perfs: 11,223' - 28', 11,248' - 52'

Morrow Perfs: 11,296' - 11,300

5-1/2" @ 11,536'

After

TOPS:

| | |
|------------------------------|---------|
| Delaware | 2,673' |
| 2 nd Bone Springs | 4,668' |
| 3 rd Bone Springs | 8,334' |
| Wolfcamp | 8,694' |
| Strawn | 10,056' |
| Atoka | 10,220' |
| Morrow | 10,949' |
| L. Morrow | 11,262' |

Accepted for record
NMOCD

Not to Scale

5/16/07
DC/Hill