

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

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

S

5 Lease Serial No	NM-78213
6 If Indian, Allottee or Tribe Name	
7 If Unit or C/A Agreement, Name and/or No	
8 Well Name and No	Walt Canyon AMA Federal #1
9 API Well No	30-015-10305
10 Field and Pool or Exploratory Area	Indian Basin; Upper Penn Assoc.
11 County or Parish, State	Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> Other
2 Name of Operator	Yates Petroleum Corporation		
3a Address	105 S. 4th Str., Artesia, NM 88210		
3b Phone No (include area code)	575-748-1471		
4 Location of Well (Footage, Sec., T., R., M., OR Survey Description)	990'FSL & 2310'FEL of Section 3-T22S-R24E (Unit O, SWSE)		

FEB 05 2008  
OCD-ARTESIA

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"/> Temporary Abandon
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporary Abandon	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back		

ACCEPTED FOR RECORD

FEB 12 2008

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 must 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 3160-5 must be filed after the testing has been completed. Final Abandonment Notices must 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. Set a 7" CIBP at +/-6800' with 35' cement on top.
3. Perforate squeeze holes at 5600'.
4. Spot a 100' (35 sx) cement plug from 5500'-5600', inside and outside casing. Tag
5. Perforate squeeze holes at 4254'.
6. Spot a 100' (35 sx) cement plug from 4154'-4254', inside and outside casing. Tag plug.
7. Perforate squeeze holes at 3800'.
8. Spot a 100' (35 sx) cement plug from 3700'-3800', inside and outside casing. Tag
9. Perforate squeeze holes at 448'.
10. Spot a 100' (35 sx) cement plug from 348'-448', inside and outside casing. Tag plug.
11. Perforate squeeze holes at 100'.
12. Install 5-1/2" casing swedge to circulate cement from 0'-100' (35 sx). Tag plug.
13. Remove all surface equipment and weld dry hole marker per regulations.

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

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

\* Plugs should be  
100' plus 10% per 1,000'  
add 10% of Amos

14. I hereby certify that the foregoing is true and correct		
Name (Printed/Typed)	Tina Huerta	
Signature		
Title	Regulatory Compliance Supervisor	
Date	January 22, 2008	
APPROVED		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	Date FEB 2 2008
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	JAMES A. AMOS
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.		

WELL NAME: Walt Canyon AMA Federal #1 FIELD: N. Dagger Draw U. Penn

LOCATION: 990' FSL & 2310' FEL of Section 3-22S-24E Eddy, NM

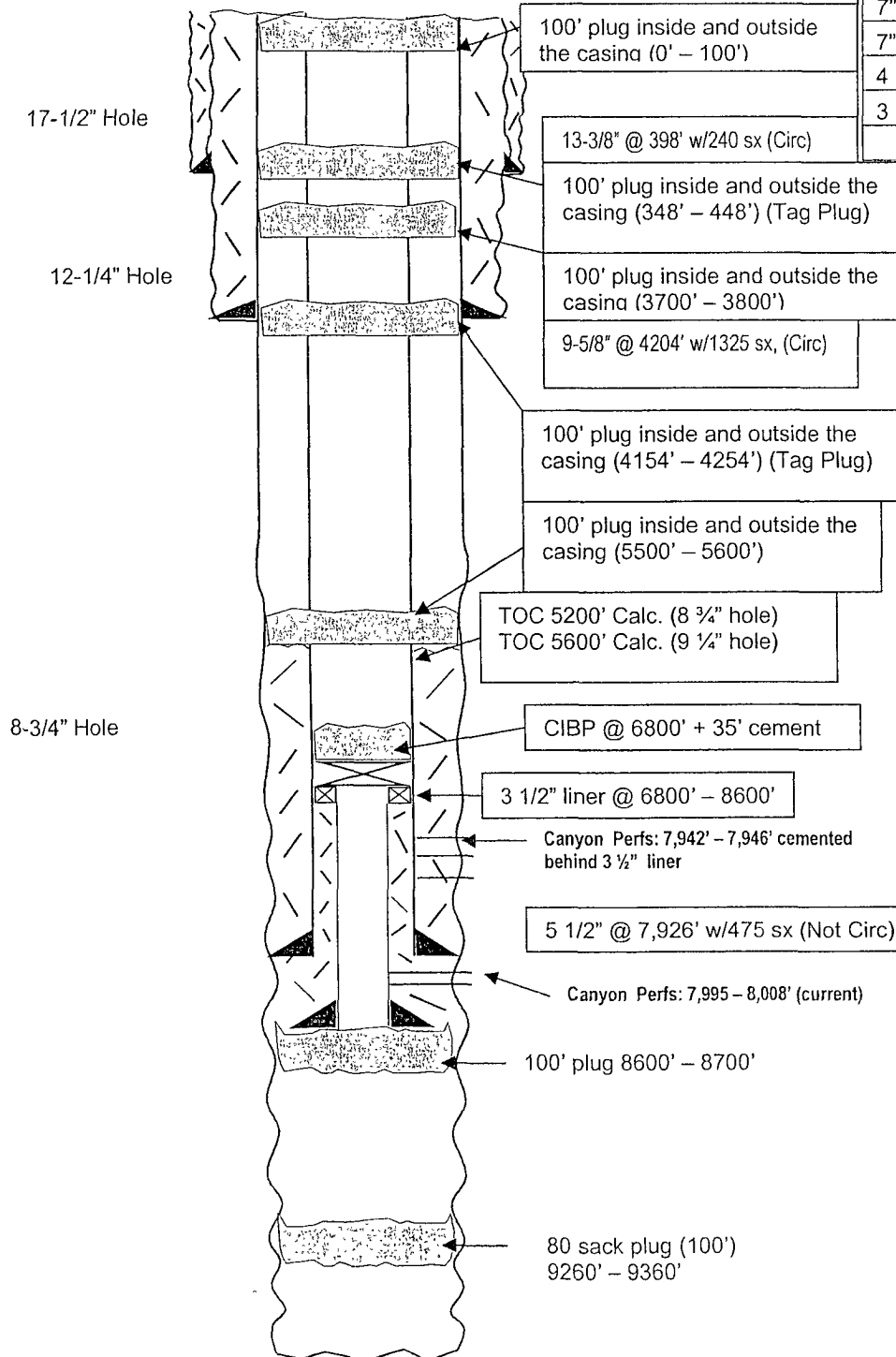
GL: 3,940' ZERO: KB: 3,953'

Reentry SPUD DATE: 4/27/1993 COMPLETION DATE: 6/23/1993

COMMENTS: API No.: 30-015-10305

### CASING PROGRAM

13-3/8" 48# H-40	398'
9 5/8" 36# J-55	4204'
7" 26# J-55	353'
7" 23# J55	4917'
7" 26# J-55	6946'
4 1/2" J-55	6947' to -----7992'
3 1/2" 8.81# J-55 FL - 45 liner	6800' to 8600'



**After**

### TOPS

SA	535'
BS	3,750'
Dean Sand	7,283'
WC	7,380'
Cisco / Can.	7,935'
Strawn	8,680'
Atoka	9,104'
Morrow	9,365'
Barnett	10,505'
Miss.	10,668'

Not to Scale  
12/27/07  
Moss

TD: 10,694'

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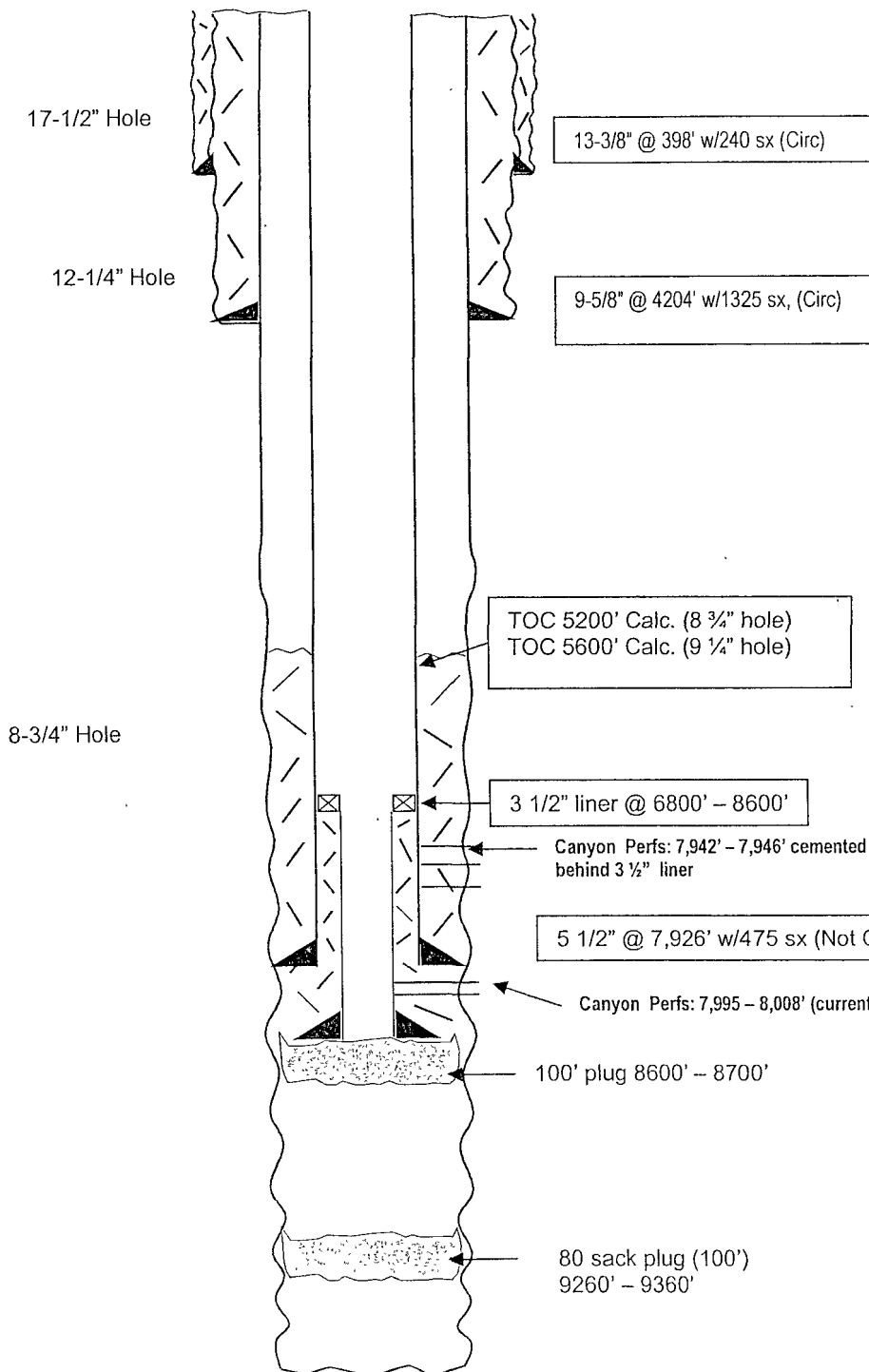
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	<u>8600'</u>



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**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

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

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** 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. **Mud Requirement:** 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. **Cement Requirement:** 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 specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

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, name of the operator, lease serial number, surveyed location (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.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

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