

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

SEP 22 2009

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

5 Lease Serial No
LC-067832-A6 If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

NMNM106836

8 Well Name and No

West Indian Basin Federal Com #2

9 API Well No

30-015-10282

10 Field and Pool or Exploratory Area

Indian Basin; Upper Penn

11. County or Parish, State

Eddy County, New Mexico

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)

575-748-1471

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

1965'FNL & 1659'FEL of Section 20-T21S-R23E (Unit G, SWNE)

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 recompleate 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 recompleation in a new interval, a Form 3160-4 must be filed once 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. MIRU WSU and all safety equipment as needed.
2. Set a 5-1/2" CIBP at 7188' with 35' cement on top.
3. Load hole with plugging mud. Spot a 25 sx Class "C" cement plug from 5560'-5760' covering the DV tool and the WC top.
4. Spot a 25 sx Class "C" cement plug from 1732'-1932' covering the intermediate casing shoe and the Glorieta top. WOC and tag, reset if necessary.
5. Perforate 4 squeeze holes at 238'. Open all the valves on the bradenhead. Tie onto the casing and establish circulation. Pump 75 sx Class "C" cement down the casing and up the annulus, do not displace the cement. This will leave a plug from 0-238' for a surface plug. WOC and tag cement.
6. Cut off wellhead and install dry hole marker and clean location as per regulated.

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

Date August 27, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

APPROVED

Date SEP 20 2009

JAMES A. AMOS

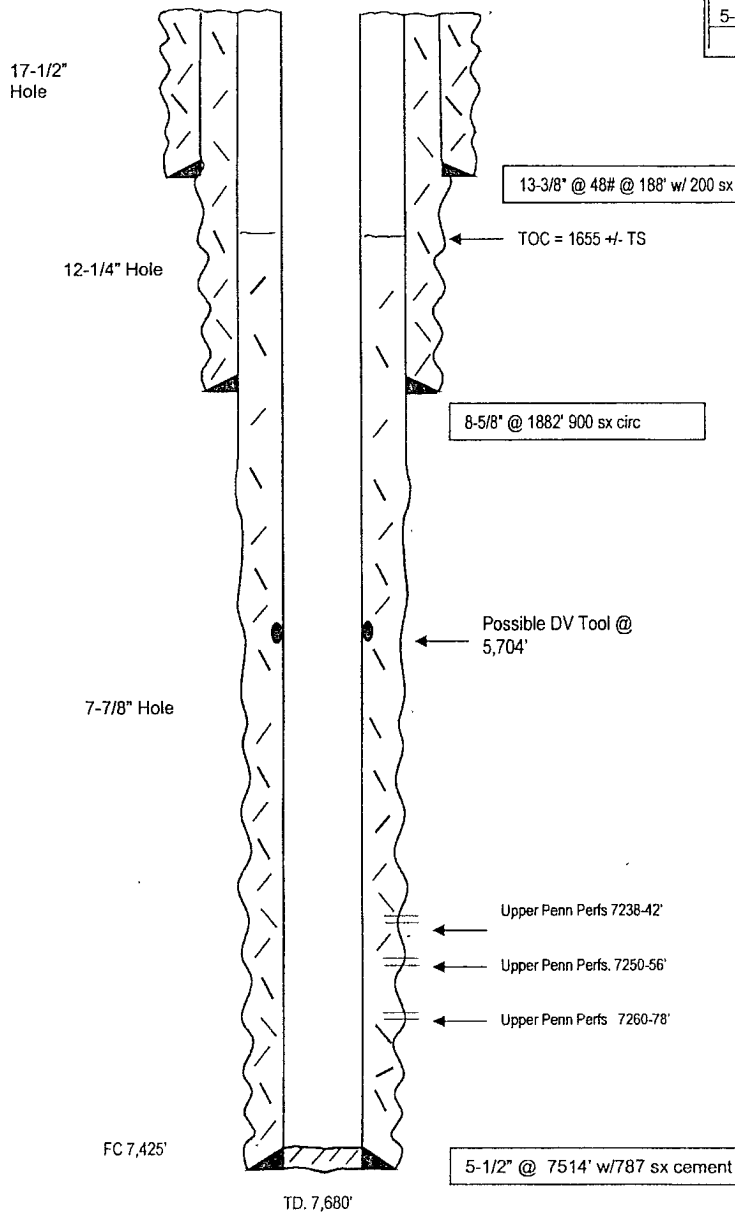
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
(see attached charges)

WELL NAME: West Indian Basin Unit #2 FIELD: Indian Basin Upper Penn
 LOCATION: 1980' FNL and 1650' FEL Sec 20-21-23E Eddy County, NM
 GL: 3991' ZERO: KB: 13' AGL
 SPUD DATE: 1/9/1965 COMPLETION DATE: 2/9/1965
 COMMENTS: API No.: 30-015-10282
4-1/2" wellbore abandoned – Cut 2,671' of 4-1/2" off and
sidetracked. Ran 5-1/2" casing in new wellbore 12/10/93

CASING PROGRAM

13-3/8" 48#	188'
8-5/8" 24#	1882'
5-1/2" 15.5/17# J-55	7514'



Before

TOPS

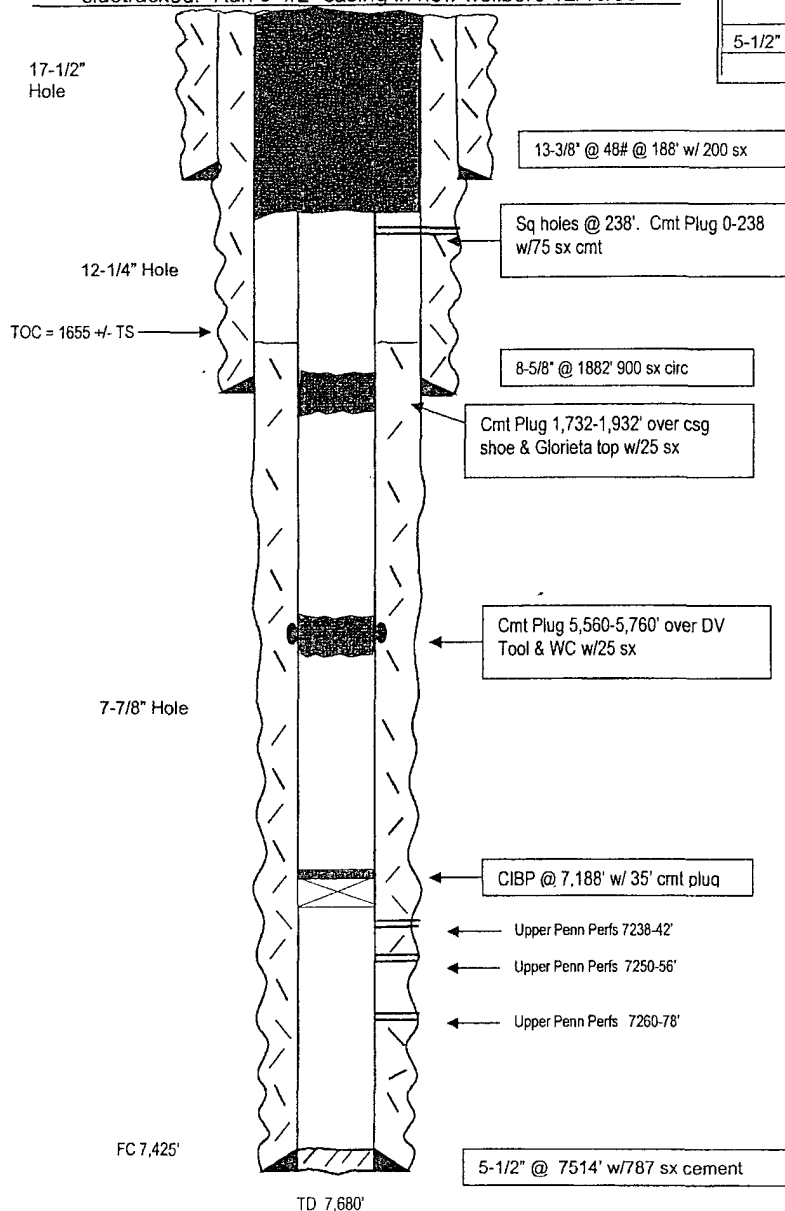
San Andres 225'
 Glorieta 1,835'
 Bone Spring L 2,837'
 Wolfcamp 5,612'
 Cisco 7,067'
 Canyon 7,525''

Not to Scale
 5/12/09
 DC/Hill

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Cisco	7,067'
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Not to Scale
 5/12/09
 DC/Hill

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

RE: NMLC067832A; West Indian Basin Fed Com #2
1965' FNL & 1659' FEL, Sec. 20, T21S-R23E
Eddy County, New Mexico

Abandonment Conditions of Approval ;

2. Instead of capping CIBP w/ 35' cement, spot a 25 sack cement plug on top of the CIBP. This will also cover the top of the Cisco.
- 3a. Add a plug from 2897'-2777', minimum of 25 sacks (covers the top of the Bone Springs).
4. TOC by TS shows behind the 5-1/2" casing shows to be plus/minus 1655'. TS questionable at best. Perforate the 5-1/2" casing @ 1932' attempt to establish injection rate, if established squeeze plug from 1932'-1832', WOC and tag. If injection rate can not be established, drop down to 1982' and spot a 25 sack minimum plug from 1982'-1832', WOC and tag.

Reclamation guidelines will be established upon completion of plugging operations.

If you have questions, please contact Jim Amos at 505-234-5909.

J. Amos
5/30/08

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 90th day provide this office, prior to the 90th 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 prior to 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.