

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSEP 22 2009
OCD-ARTESIAFORM 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.5 Lease Serial No
NM-0452756 If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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)

1880'FNL & 1980'FWL of Section 11-T20S-R24E (Unit F, SENW)

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

NA

8. Well Name and No

Conoco AGK Federal #7

9 API Well No

30-015-26902

10 Field and Pool or Exploratory Area

North Dagger Draw Upper Penn

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 3160-4 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 safety equipment as needed.
- * 2. Set a 7" CIBP at 7653' with 35' cement on top. WOC and tag. Load hole as necessary with plugging mud.
3. Spot 30 sx Class "H" cement inside 7" casing from 5271'-5431'. This will put a plug across the WC top and stage tool.
4. Spot 25 sx Class "C" cement inside 7" casing from 4828'-4978' across the Abo top. WOC and tag.
5. Spot 25 sx Class "C" cement inside 7" casing from 3226'-3376' across the BS top. WOC and tag.
6. Spot 25 sx Class "C" cement inside 7" casing from 1953'-2103' across the Glorieta top. WOC and tag.
7. Spot 25 sx Class "C" cement inside 7" casing from 1000'-1150' across the 9-5/8" casing shoe. WOC and tag.
8. Spot 25 sx class "C" cement inside 7" casing for a surface plug from 0-150'.
9. Remove all surface equipment and weld dry hole marker per regulations.

* Instead of 35' cement, spot 162' cement to cover top of canyon
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

September 15, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

APPROVED

SEP 20 2009

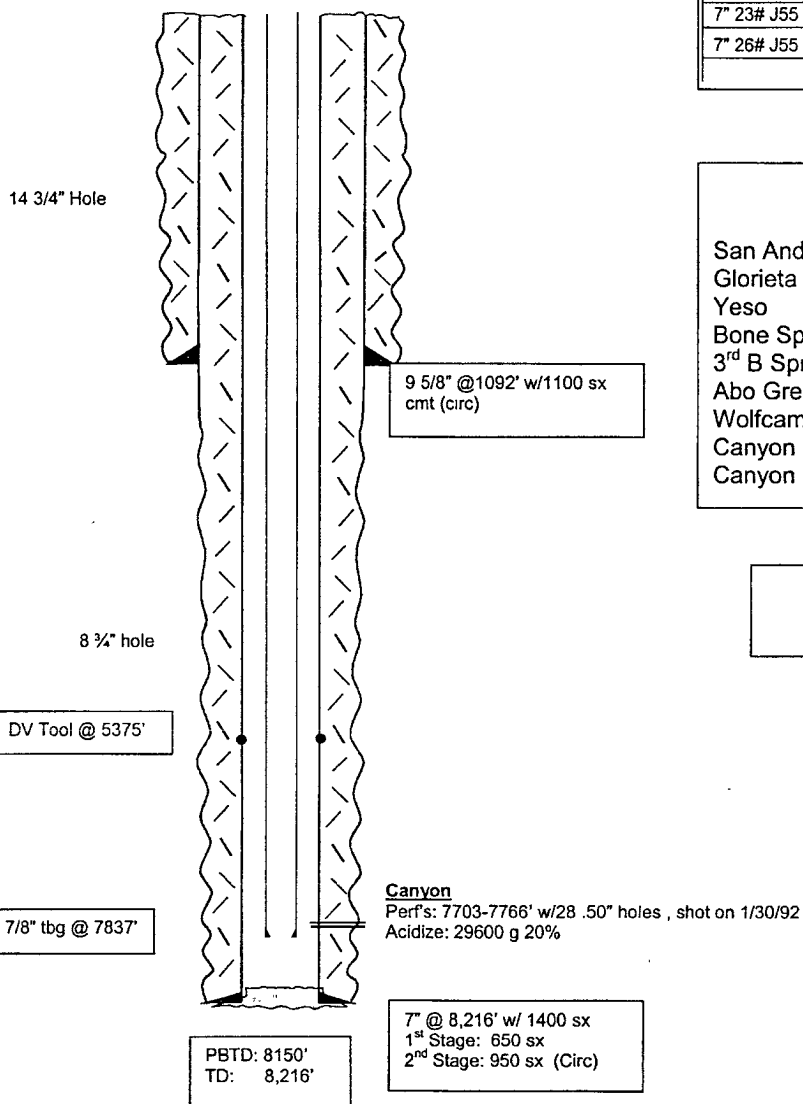
JAMES A. AMOS

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.

WELL NAME: Conoco AGK Federal #7 FIELD: North Dagger Draw U/Penn
 LOCATION: 1880' FNL & 1980' FWL, Sec. 11-T20S-R24E Eddy County
 GL: 3631' ZERO: _____ KB: _____
 SPUD DATE: 12-28-91 COMPLETION DATE: 2-21-92
 COMMENTS: API# 30-015-26902

CASING PROGRAM

| | |
|---------------------|--------|
| 9 5/8" 36# J-55 | 1092' |
| 7" 26# N80 (653') | |
| 7" 26# J55 (2,668') | |
| 7" 23# J55 (3,705') | |
| 7" 26# J55 (1,197') | 8,216' |



Tops

| | |
|------------------------------|------|
| San Andres | 491 |
| Glorieta | 2053 |
| Yeso | 2132 |
| Bone Springs Lm | 3326 |
| 3 rd B Springs Sd | 4584 |
| Abo Green SH | 4928 |
| Wolfcamp Lm | 5381 |
| Canyon Lm | 7541 |
| Canyon Dolo | 7639 |

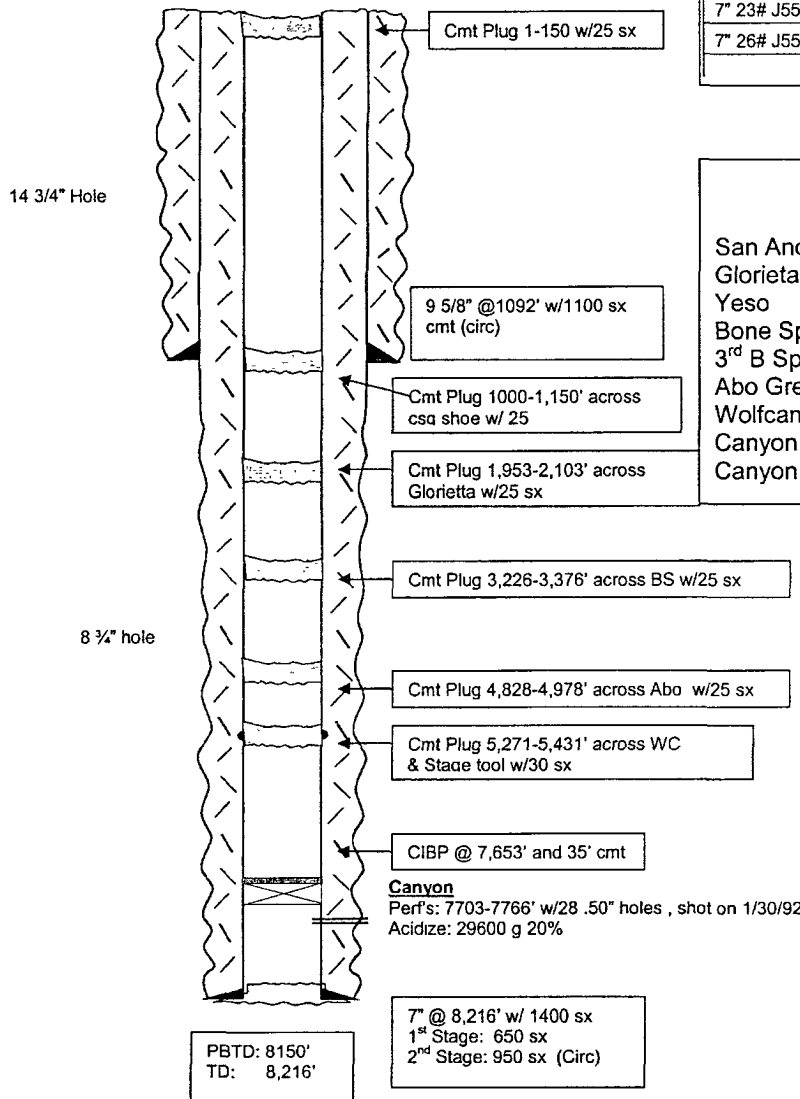
Before

Not to Scale
 5/4/09
 DC/Hill

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After

Not to Scale
 5/4/09
 DC/Hill

**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.