

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD - Artesia

FORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010

EC

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.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM059077 |
| 2. Name of Operator YATES PETROLEUM CORPORATION | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | | 7. If Unit or CA/Agreement, Name and/or No. SW322 |
| 3b. Phone No. (include area code) Ph: 575-748-1471 | | 8. Well Name and No. HOC FED GAS COM 2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T22S R23E NWNW 330FNL 330FWL | | 9. API Well No. 30-015-26939-00-S1 |
| | | 10. Field and Pool, or Exploratory INDIAN BASIN |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

RECEIVED

DEC 30 2011

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. MIRU. Install BOP. TOH with production equipment.
2. Set a CIBP at 7,579 ft and cap with 35 ft of cement.
3. Spot 25 sxs class H cement plug from 6,710-6,910 ft across the top of the Wolfcamp.
4. Spot a 25 sxs class C cement plug from 5,645-5,845 ft.
5. Perforate 4 squeeze holes at 3,975 ft. Establish circulation and spot 65 sxs class C cement plug inside and outside of casing from 3,775-3,975 ft across the Bone Springs top. WOC. Tag plug.
6. Perforate 4 squeeze holes at 2,365 ft. Establish circulation and spot 110 sxs class C cement plug inside and outside of casing from 2,032-2,365 ft across the Glorieta top and intermediate casing shoe. WOC. Tag plug.
7. Perforate 4 squeeze holes at 215 ft. Establish circulation and spot 65 sxs class C cement plug

SEE ATTACHED FOR
CONDITIONS OF APPROVALRECLAMATION PROCEDURE
ATTACHED

| | |
|---|----------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #126499 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/27/2011 (12JLH0244SE) | |
| Name (Printed/Typed) JACQUETA REEVES | Title REGULATORY COMPLIANCE TECH |
| Signature (Electronic Submission) | Date 12/21/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|-------------------|----------------------|
| Approved By <u>James Q. Ames</u> | Title <u>SEAS</u> | Date <u>12-29-11</u> |
| 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 <u>CED</u> |

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Accepted for record
NMOCD

1/9/2012

Additional data for EC transaction #126499 that would not fit on the form

32. Additional remarks, continued

inside and outside of the casing from 0-215 ft across surface casing shoe. WOC. Tag plug.

4. Cut off wellhead, install dry hole marker and clean location.

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