

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD-ARTESIA**

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.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

NM-01165

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

WILLIAMSON BC FEDERAL #3

9. API Well No.

30-015-21628

10. Field and Pool, or Exploratory Area

BURTON FLAT, WOLFCAMP, EAST

11. County or Parish, State

EDDY COUNTY, N.M.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other ☐ Injection

2. Name of Operator
Yates Petroleum Corporation

3a. Address
105 S. 4th Street - Artesia, NM 88210

3b. Phone No. (include area code)
505-748-1471

RECEIVED

FEB 02 2006

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

1980' FNL & 660' FEL Section 17-T20S-R29E Unit H

OCD-ARTESIA

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Other <u>Extend T/A Status</u>
	<input type="checkbox"/> Change Plans	<input 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	

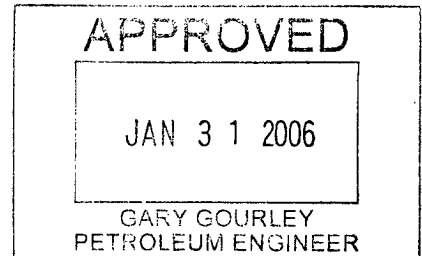
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 operations 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 respectfully requests permission to extend the Temporary Abandon status of this well in order to fully evaluate offset acreage to see if a Delaware salt water disposal conversion is warranted.

NOTE: Mechanical Integrity Test conducted on 1/27/03.

APPROVED FOR 12 MONTH PERIOD
ENDING 1/31/07

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Su'Ann Rogers

Signature Su'Ann Rogers

Title

Regulatory Compliance Technician

Date

1/26/2006

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.

(a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleteness in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompleteness in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§3162.3-3 Other lease operations.

Prior to commencing any operation on the leasehold which will result in additional surface disturbance, other than those authorized under §3162.3-1 or §3162.3-2 of this title, the operator shall submit a proposal on Form 3160-5 to the authorized officer for approval. The proposal shall include a surface use plan of operations.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, and amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§3162.3-4 Well abandonment.

(a) The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed

completed or recompleteness well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the authorized officer to be no longer capable of producing oil or gas in paying quantities, unless the authorized officer shall approve the use of the well as a service well for injection to recover additional oil or gas or for subsurface disposal of produced water. In the case of a newly drilled or recompleteness well, the approval to abandon may be written or oral with written confirmation.

(b) Completion of a well as plugged and abandoned may also include conditioning the well as water supply source for lease operations or for use by the surface owner or appropriate Government Agency, when authorized by the authorized officer. All costs over and above the normal plugging and abandonment expense will be paid by the party accepting the water well.

(c) No well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer. The authorized officer may authorize a delay in the permanent abandonment of a well for a period of 12 months. When justified by the operator, the authorized officer may authorize additional delays, no one of which may exceed an additional 12 months. Upon the removal of drilling or producing equipment from the site of a well which is to be permanently abandoned, the surface of the lands disturbed in connection with the conduct of operations shall be reclaimed in accordance with a plan first approved or prescribed by the authorized officer.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§3162.4 Records and reports.

§3162.4-1 Well records and reports.

(a) The operator shall keep accurate and complete records with respect to all lease operations including, but not limited to, production facilities and equipment, drilling, producing,

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ENERGY BILL

TA well Interest

(2) gas production from marginal properties....

(c) REDUCED ROYALTY RATE. [see legislation]

(d) TERMINATION OF REDUCED ROYALTY RATE. [see legislation]

(e) REGULATIONS PRESCRIBING DIFFERENT RELIEF.

(1) Discretionary regulations; (2) Mandatory regulations

Section 349. Orphaned, Abandoned, or Idled Wells on Federal Land.

(a) [timeframe] The Secretary, in cooperation with the Secretary of Agriculture, shall establish a program not later than 1 year after the date of enactment of this Act, to remediate, reclaim and close orphaned, abandoned, or idled oil and gas wells located on land administered by the land management agencies within the Departments of the Interior and Agriculture.

(b) The program under subsection (a) shall

(1) include a means of ranking well sites for priority in remediation, reclamation, and closure based on public health and safety, potential environmental harm, and other land use priorities;

(2) provide for identification and recovery of the costs for persons or other entities currently providing a bond or other financial assurance;

(3) provide for recovery from those identified under paragraph (2)

(c) In carrying out the program, the Secretary shall work cooperatively with the Secretary of Agriculture and the States and consult with the Secretary of Energy and the Interstate Oil and Gas Compact Commission.

(d) PLAN [timeframe] Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Secretary of Agriculture shall submit to Congress a plan for carrying out the program.

(e) A well is idled if the well has been non-operational for at least 7 years and there is no anticipated beneficial use for the well.

(f) FEDERAL REIMBURSEMENT FOR ORPHANED WELL RECLAMATION PILOT PROGRAM.

(1) The Secretary shall carry out a pilot program under which, issuing a new oil and gas lease on federally owned land on which 1 or more orphaned wells are located, the Secretary may

(A) require, other than as a condition of the lease, that the lessee remediate, reclaim, and close in accordance with standards established by the Secretary, all orphaned wells on the land leased; and

(B) shall develop a program to reimburse a lessee, through a royalty credit against the Federal share of royalties owed or other means, for the reasonable actual costs of remediation, reclaiming, and closing the orphaned wells pursuant to that requirement.

(2) The Secretary (A) may authorize any lessee to reclaim in accordance with the Secretary's standards and orphaned well on unleased federally owned land; or an orphaned well located on an existing lease on federally owned land for the reclamation of which the lessee is not responsible.

(b) shall develop a program to provide reimbursement of 100 percent of the reasonable actual