Form 3160-5 (August 2007) UNITED STATES NMOCD DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 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. SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well Oil Well Other			OMB	FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010 5. Lease Serial No. NMNM14293 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. JERVIS AYB FEDERAL 7	
			5. Lease Serial No.		
			7. If Unit or CA/Ag		
2. Name of Operator YATES PETROLEUM CORPORATIONE-Mail: tinah@yatespetroleum.com			9. API Well No. 30-005-63927	9. API Well No. 30-005-63927-00-S1	
3a. Address 3b. Phone 105 SOUTH FOURTH STREET Ph: 575		3b. Phone No. (include area cod Ph: 575-748-4168	le) 10. Field and Pool, o	t0. Field and Pool, or Exploratory PECOS SLOPE-ABO	
ARTESIA, NM 88210 Fx: 575 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)		Fx: 575-748-4585	U. County or Parist	n, and State	
Sec 11 T8S R26E SWNE 197			CHAVES COL		
12. СНЕСК АРРІ	OPRIATE BOX(ES) TO) INDICATE NATURE OF	NOTICE, REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION		TYPE (OF ACTION		
Notice of Interet	□ Acidize	Deepen	Production (Start/Resume)	U Water Shut-Off	
Notice of Intent	☐ Alter Casing	Fracture Treat	Reclamation	□ Well Integrity	
Subsequent Report	🗖 Casing Repair	New Construction	Recomplete	Other	
Final Abandonment Notice	Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily Abandon Water Disposal		
Abo. 3. Spot a 25 sx Class C cemer 4. Spot a 25 sx Class C cemer shoe, WOC. Tag TOC, 5. Spot a 10 sx cement plug fr 6. Cut off wellhead. If needed 7. Install dry hole marker and o	om 90 ft up to surface. backfill between 5-1/2 inc	ch and 9-5/8 inch casing.	Accepted for record NMOCD B	OIL CONSERV	
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14. I hereby certify that the foregoing is	true and correct.				
	Electronic Submission #3 For YATES PETRC nmitted to AFMSS for proc	39273 verified by the BLM W DLEUM CORFORATION, sent essing by DAVID GLASS on Title REG F	ell Information System		
Co	Electronic Submission #3 For YATES PETRO nmitted to AFMSS for proc RTA	DLEUM CORFORATION, sent essing by DAVID GLASS on (ell Information System to the Roswell 05/18/2016 (16DRG0264SE) REPORTING SUPERVISOR		
Co Name(Printed/Typed) TINA HUE	Electronic Submission #3 For YATES PETRO nmitted to AFMSS for proc RTA	DLEUM CORPORATION, sent essing by DAVID GLASS on Title REG F	ell Information System to the Roswell 05/18/2016 (16DRG0264SE) REPORTING SUPERVISOR 2016		
Con Name (Printed/Typed) TINA HUE Signature (Electronic S	Electronic Submission #3 For YATES PETRO nmitted to AFMSS for proc RTA ubmission) THIS SPACE FO	DLEUM CORFORATION, sent essing by DAVID GLASS on Title REG F Date 05/16/	ell Information System to the Roswell 05/18/2016 (16DRG0264SE) REPORTING SUPERVISOR 2016	RECEIVED.	
Con Name (Printed/Typed) TINA HUE Signature (Electronic S Approved By /S/ DAV Conditions of approval, if any, are attached ertify that the applicant holds legal or equ	Electronic Submission #3 For YATES PETRO nmitted to AFMSS for proc RTA ubmission) THIS SPACE FO DR_GLASS Approval of this notice does to itable title to those rights in the	DLEUM CORFORATION, sent essing by DAVID GLASS on Title REG F Date 05/16/ R FEDERAL OR STATE Title PI not warrant or	ell Information System to the Roswell 05/18/2016 (16DRG0264SE) REPORTING SUPERVISOR 2016 OFFICE USE	DMAY 18	
Con Name (Printed/Typed) TINA HUE Signature (Electronic S	Electronic Submission #3 For YATES PETRO nmitted to AFMSS for proc RTA ubmission) THIS SPACE FO DR_GLASS Approval of this notice does not itable title to those rights in the ct operations thereon. J.S.C. Section 1212, make it a c	DLEUM CORFORATION, sent sessing by DAVID GLASS on (Title REG F Date 05/16// R FEDERAL OR STATE S Title PI Title PI Office crime for any person knowingly an	ell Information System to the Roswell 05/18/2016 (16DRG0264SE) REPORTING SUPERVISOR 2016 OFFICE USE ETROLEUM ENGINEER ROSWELL FIELD OFFIC d willfully to make to any department o	DMAY 18	

Additional data for EC transaction #339273 that would not fit on the form

32. Additional remarks, continued

Wellbore schematics attached

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BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 (575) 627-0272

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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.

2. <u>Notification</u>: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. <u>Blowout Preventers</u>: 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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. <u>Cement Requirement</u>: 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 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 cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet 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 class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. <u>Dry Hole Marker</u>: 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 the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. 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. <u>Show date well was plugged.</u>

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.