UNITED STATES DEPARTMENT OF THE INTERIOR OIL CONSERVATION BUREAU OF LAND MANAGEMENT APPENAMENT

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

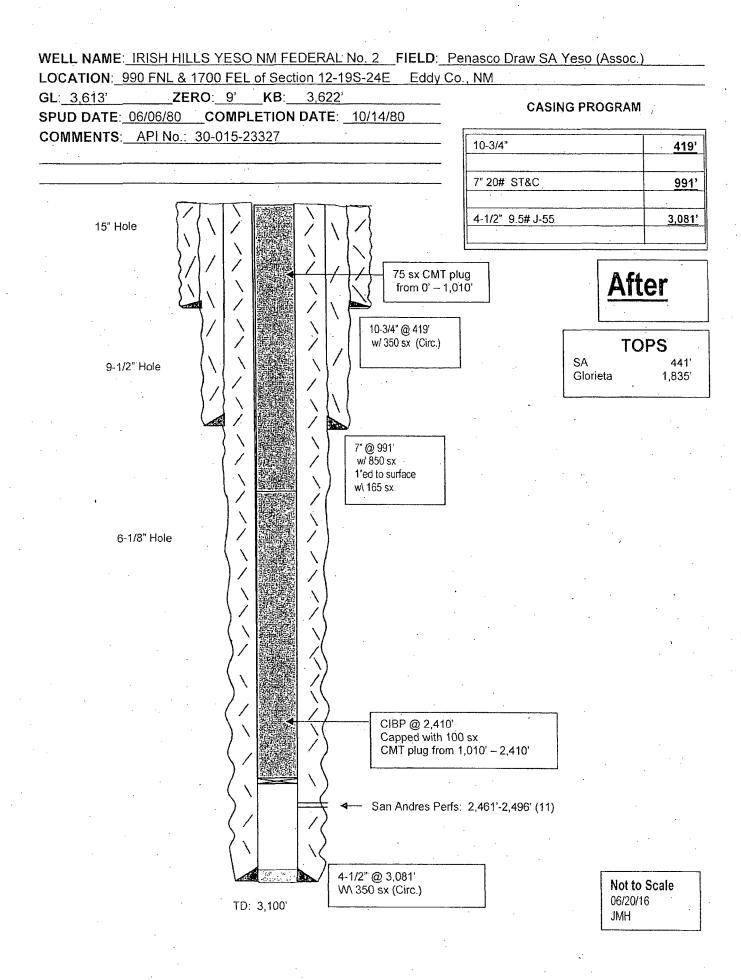
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| Expires: July | 3 |
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| Lease Serial No. | |
| NIMANIMOSSAA72 | |

| SUNDRY NOTICES AND REPORTS ON WELLS ID 1 | 9 | 2010 |
|--|----|------|
| SUNDRY NOTICES AND REPORTS ON WELLS FD 1 Do not use this form for proposals to drill or to re-enter an | O) | 2010 |
| shandoned well. Use form 3160-3 (APD) for such proposals | | |

| | abandoned wel | 6. If Indian, Allottee or Tribe Name | | | | | | | | | |
|--|---|--|---------------------------------|--------------------------------|--|---------------------------------------|------------------|--|--|--|--|
| | SUBMIT IN TRII | 7. If Unit or CA/Agreement, Name and/or No. | | | | | | | | | |
| 1. | Type of Well ☐ Gas Well ☐ Oth | 8. Well Name and No. IRISH HILLS YSO 2 | | | | | | | | | |
| 2. Name of Operator Contact: TINA HUERTA YATES PETROLEUM CORPORATIONE-Mail: tinah@yatespetroleum.com | | | | | | 9. API Well No. 30-015-23327-00-S1 | | | | | |
| 3: | a. Address 105 SOUTH FOURTH STREE ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585 | | | 10. Field and Pool, or Exploratory PENASCO DRAW | | | | | | |
| 4. | Location of Well (Footage, Sec., T. | , R., M., or Survey Description, | | | 11. County or Parish, and State | | | | | | |
| Sec 12 T19S R24E NWNE 990FNL 1700FEL | | | | | | EDDY COUNTY, NM | | | | | |
| | 12. CHECK APPR | ROPRIATE BOX(ES) TO |) INDICATE | NATURE OF | NOTICE, RI | EPORT, OR OTHE | R DATA | | | | |
| | TYPE OF SUBMISSION | YPE OF SUBMISSION | | | TYPE OF ACTION | | | | | | |
| | Notice of Intent | ☐ Acidize | | ☐ Deepen | | ion (Start/Resume) | ■ Water Shut-Off | | | | |
| | | ☐ Alter Casing | . 🗖 Frac | ture Treat | □ Reclam | ation | ■ Well Integrity | | | | |
| | ☐ Subsequent Report | □ Casing Repair | □ New | Construction | □ Recomp | olete | Other | | | | |
| | ☐ Final Abandonment Notice | ☐ Change Plans | 🛭 Plug | and Abandon | □ Tempor | arily Abandon | | | | | |
| | · | ☐ Convert to Injection | ☐ Plug Back | | ☐ Water Disposal | | • | | | | |
| ٠. | 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 recomplete 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 recompletion 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 any safety equipment as needed. POOH with production equipment. 2. Set a CIBP at 2410 ft. Spot a 100 sx Class C cement plug from 1010 ft - 2410 ft and tag. Spot a 75 sx Class C cement plug from 1010 ft up to surface. This will fill the entire wellbore up from the CIBP to the surface. WOC and tag plug. 3. Cut off wellbead and install marker, clean up location as per regulated. | | | | | | | | | | |
| | Wellbore schematics attached | | | SEE ATTACHED FOR | | | | | | | |
| Wonder of the Market and Should | | | | • | COV | IDITIONS OF | APPROVAL | | | | |
| | | | | | • | * | • | | | | |
| 14 | 4. I hereby certify that the foregoing is | true and correct. Electronic Submission #. For YATES PETRO mitted to AFMSS for proce | DLEUM CORP | ORÁTION, sent t | to the Carlsba | ad | | | | | |
| Name(Printed/Typed) TINA HUERTA | | | | Title REG REPORTING SUPERVISOR | | | | | | | |
| | Signature (Electronic S | Submission) | | Date 07/11/2 | 2016 | Accepted | ioco ioco | | | | |
| | THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | | | | |
| A | pproved By | Walla | | Title End | j | 1 | Date 9/8/16 | | | | |
| ert | ditions of approval, if any, are attached ify that the applicant holds legal or equ ch would entitle the applicant to condu | itable title to those rights in the | not warrant or subject lease | Office CF | 0 | . / | | | | | |
| D:41 | a 18 II S.C. Section 1001 and Title 42 | U.S.C. Sostion 1212 males it a | amina a famanis ma | مرور براه سنبيره سار مرور | 1 | -l to one domester out on | | | | | |

WELL NAME: IRISH HILLS YESO NM FEDERAL No. 2 FIELD: Penasco Draw SA Yeso (Assoc.) LOCATION: 990 FNL & 1700 FEL of Section 12-19S-24E Eddy Co., NM **GL**: 3,613' **ZERO**: 9' **KB**: 3,622' **CASING PROGRAM COMMENTS**: API No.: 30-015-23327 10-3/4" 419' 7" 20# ST&C 991' 4-1/2" 9.5# J-55 3,081 15" Hole **Before** 10-3/4" @ 419 w/ 350 sx (Circ.) **TOPS** ŞΑ 441' 9-1/2" Hole Glorieta 1,835' 7" @ 991" w/ 850 sx 1'ed to surface w\ 165 sx 6-1/8" Hole San Andres Perfs: 2,461'-2,496' (11) 4-1/2" @ 3,081' Not to Scale WN 350 sx (Circ.) 06/20/16 TD: 3,100' JMH



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 <u>ninety (90)</u> 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> 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. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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. <u>Mud Requirement:</u> 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 **brine** 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 are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

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. <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 BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and three 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. <u>Trash</u>: 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 will be required. See attached reclamation objectives.