

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0135  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or 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 ☒ 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)

505-748-1471

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

1980'FSL & 1100'FEL of Section 29-T18S-R27E (Unit I, NESE)

5. Lease Serial No.

NM-025605

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Rio Pecos MH Federal #1

9. API Well No.

30-015-23150

10. Field and Pool, or Exploratory Area

Red Lake 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			
<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 90 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.)

**Accepted for record  
NMOC**

Yates Petroleum Corporation plans to plug and abandon this well as follows:

- MIRU all safety equipment as needed. No casing recovery will be attempted. Make a good attempt to recover packer.
- If we are unable to pull packer, freepoint the tubing. If the tubing is free down to 9388' or below. Cut the tubing. Spot a 150' cement plug on top of the packer. WOC and tag.
- If we pulled the packer. Set a CIBP at 9438'. Tag the CIBP and load the hole with plugging mud. Attempt to keep wellbore loaded with mud. Spot a 15 sx Class "C" cement plug from 9338'-9438'.
- Spot a 15 sx Class "C" cement plug from 7900'-8000' across the Canyon top. WOC and tag plug, reset if necessary.
- Spot a 15 sx Class "C" cement plug from 6242'-6342' across the Wolfcamp top. WOC and tag plug, reset if necessary.
- Perforate the casing at 5142'. Pump a 50 sx Class "C" cement plug and displace it to 5042'. This will leave a 100' plug inside and outside the 5-1/2" casing. WOC and tag plug, reset if necessary.
- Perforate the casing at 3943'. Pump a 50 sx Class "C" cement plug and displace it to 3843'. This will leave a 100' plug inside and outside the 5-1/2" casing across the Bone Spring top. WOC and tag plug, reset if necessary.

**SEE ATTACHED FOR**

**CONTINUED ON NEXT PAGE:**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

*Tina Huerta*

Date

October 17, 2006

**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**

Date **OCT 23 2006**

*Wesley W. Ingram*  
**WESLEY W. INGRAM**

**PETROLEUM ENGINEER**

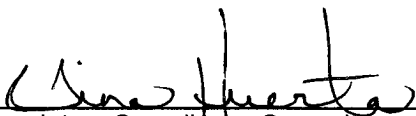
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Yates Petroleum Corporation  
Rio Pecos MH Federal #1  
Section 29-T18S-R27E  
Eddy County, New Mexico  
Page 2

**Form 3160-5 continued:**

7. Perforate the casing at 3234'. Pump a 50 sx Class "C" cement plug and displace to 3134'. This will leave a 100' plug inside and outside the 5-1/2" casing across the Glorieta top. WOC and tag plug, reset if necessary.
8. Perforate the casing at 2060'. Pump a 50 sx Class "C" cement plug and displace to 1960'. This will leave a 100' plug inside and outside the 5-1/2" casing across the intermediate casing shoe. WOC and tag plug, reset if necessary.
9. Perforate the casing at 415'. Pump a 50 sx Class "C" cement plug and displace to 315'. This will leave a 100' plug inside and outside the 5-1/2" casing across the surface casing shoe. WOC and tag plug, reset if necessary.
10. Perforate the casing at 150'. Pump a 75 sx Class "C" cement plug and do not displace the cement. This will leave a 150' plug inside and outside the 5-1/2" casing up to the surface. WOC and tag plug, reset if necessary.
11. Remove all surface equipment and weld dry hole marker per regulations.

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

  
Regulatory Compliance Supervisor  
October 17, 2006

**Accepted for record  
NMOCD**

**Rio Pecos MH Federal #!  
Yates Petroleum Corporation  
API No. 30-015-23150  
Conditions of Approval**

**NOTE!** Onshore Order 2.III.G.2 – all cement plugs, except the surface plug, shall have sufficient slurry volume to fill 100 feet of hole, plus an additional 10 percent of slurry for each 1,000 feet of depth.

**Minimum plug is 25 sacks.**

**CIBP can have 35' of cement bailed on top of the plug.**

**Accepted for record  
NMOCD**

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
505-234-5972**

**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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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 505-627-0272; Eddy County, call 505-234-5972; Lea County, call 505-393-3612.

3. Blowout Preventers: 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 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 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 7,500 feet of depth, mixed at 14.8 lbs/gal with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs/gal with 4.3 gallons of fresh water per sack.

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.**

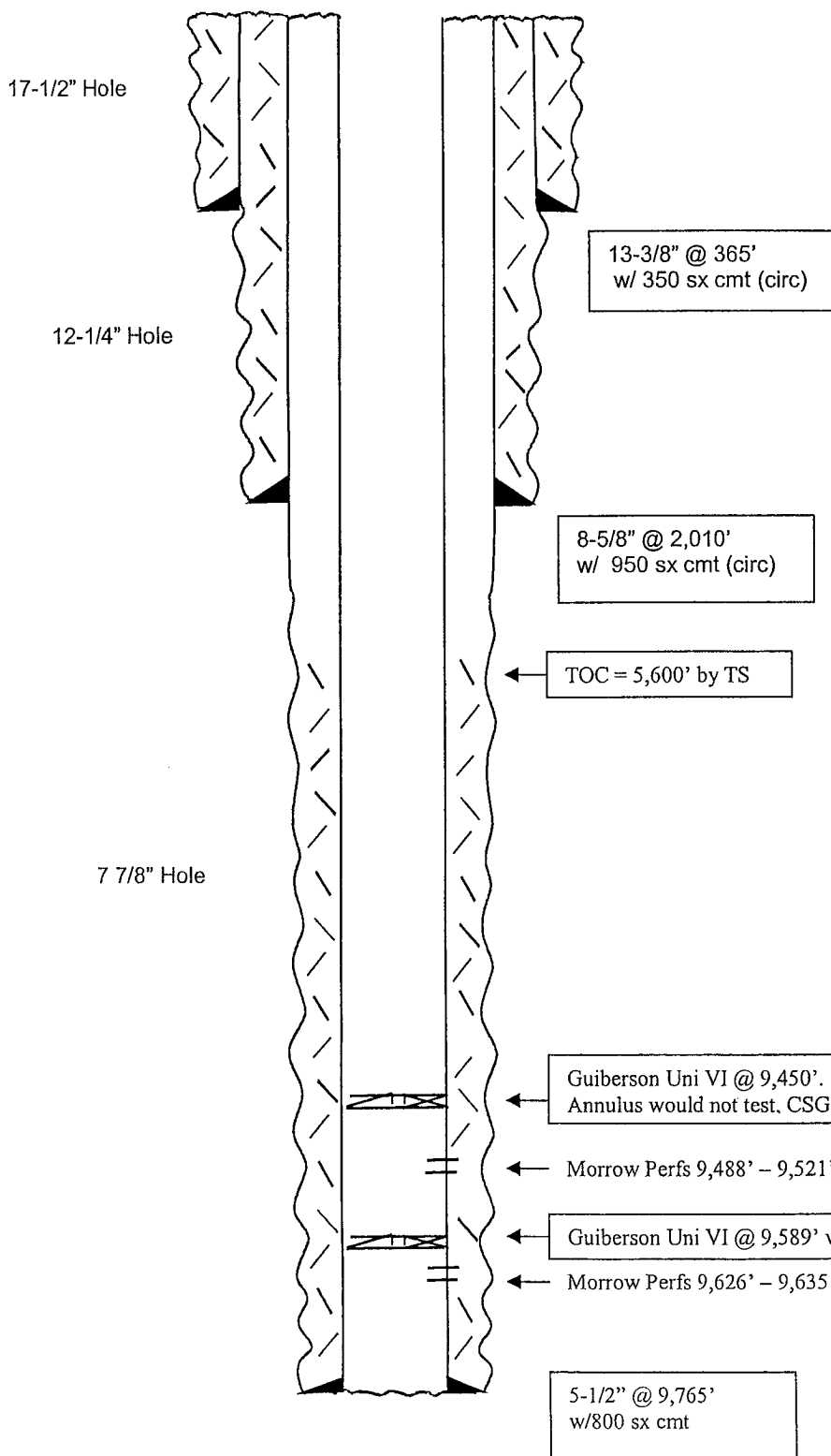
8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

WELL NAME: Rio Pecos MH Federal No. 1 FIELD: Red Lake Penn  
 LOCATION: 1,980' FSL & 1,100' FEL Sec 29-18S-27E Eddy County  
 GL: 3,362' ZERO:                      KB: 3,375'  
 SPUD DATE: 04/03/80 COMPLETION DATE: 05/27/80  
 COMMENTS: API No. 30-015-23150

#### CASING PROGRAM

13-3/8" 48# ST&C	365'
8-5/8" 24# LT&C	2,010'
5.5" 17# N-80 LT&C	2,523'
5.5" 17# K-55 LT&C	6,098'
5.5" 17# N-80 LT&C	1,144'
	9,765'



**Before**

#### TOPS:

SA	1,594'
Glorieta	3,234'
BS	3,943'
WC	6,342'
Canyon L	8,000'
Strawn	8,562'
Atoka	9,122'
Morrow Cl	9,474'
Chester	9,822'

**Accepted for record  
NMOC**

**Not to Scale**  
 9/19/2006  
 DC/M.Hill

WELL NAME: Rio Pecos MH Federal No. 1 FIELD: Red Lake Penn  
 LOCATION: 1,980' FSL & 1,100' FEL Sec 29-18S-27E Eddy County  
 GL: 3,362' ZERO: KB: 3,375'  
 SPUD DATE: 04/03/80 COMPLETION DATE: 05/27/80  
 COMMENTS: API No. 30-015-23150

# CASING PROGRAM

13-3/8" 48# ST&C	365'
8-5/8" 24# LT&C	2,010'
5.5" 17# N-80 LT&C	2,523'
5.5" 17# K-55 LT&C	6,098'
5.5" 17# N-80 LT&C	1,144'
	9,765'

17-1/2" Hole

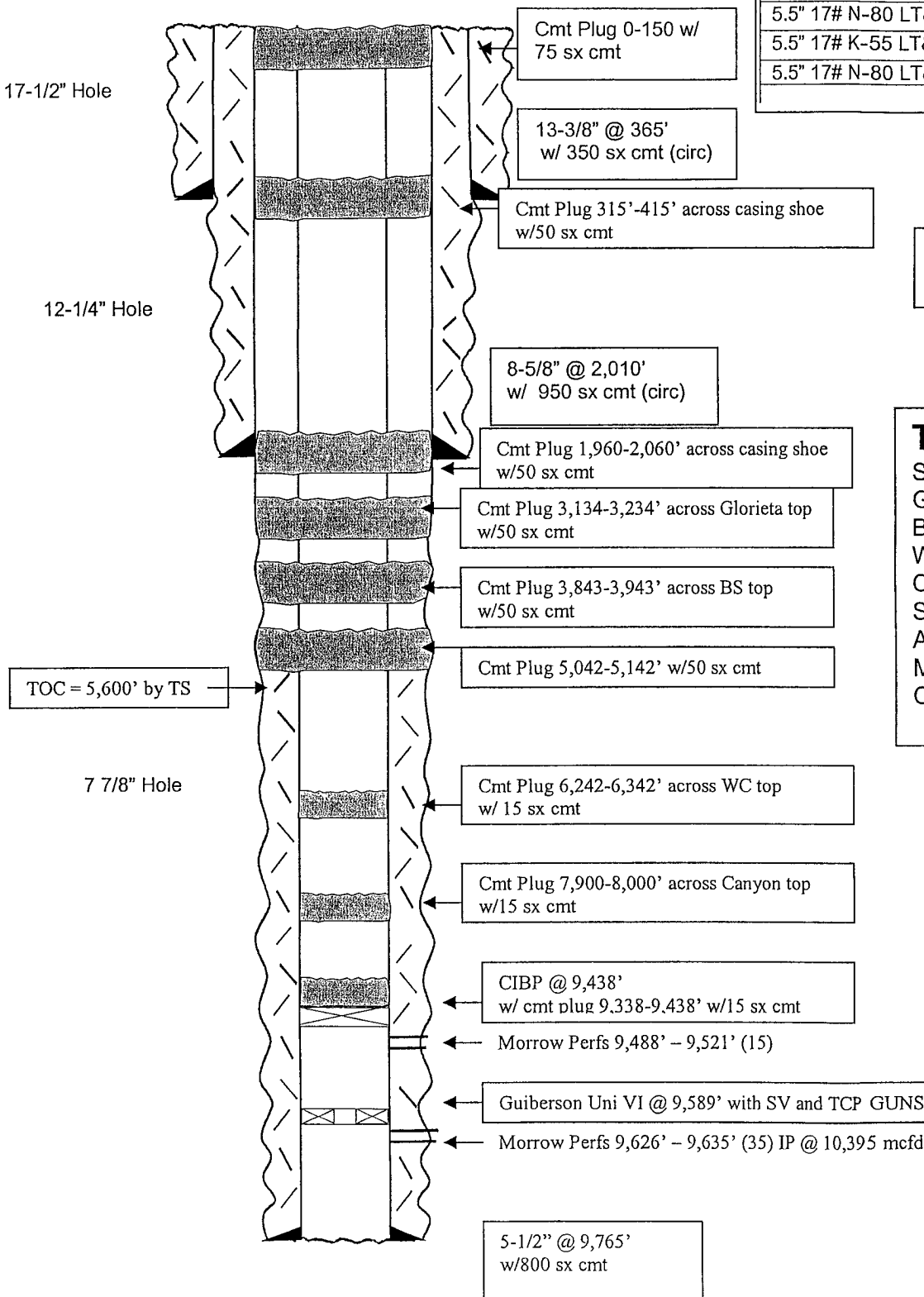
12-1/4" Hole

After

## TOPS:

SA 1,594'  
 Glorieta 3,234'  
 BS 3,943'  
 WC 6,342'  
 Canyon L 8,000'  
 Strawn 8,562'  
 Atoka 9,122'  
 Morrow Cl 9,474'  
 Chester 9,822'

Accepted for record  
 NMOCD



Not to Scale  
 9/19/2006  
 DC/M.Hill