

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

GENERAL 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

5. Lease Serial No.

NM-30629

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Eastern Shore QW Federal #2-Y

9. API Well No.

30-015-25956

10. Field and Pool, or Exploratory Area

McMillan Upper Penn

11. County or Parish, State

Eddy County, New Mexico

Type of Well

Oil Well



Gas Well



Other

REVISED

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)

2310'FSL & 750'FWL of Section 8-T19S-R27E (Unit L, NWSW)

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 recomple 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 all safety equipment as needed. No casing recovery will be attempted.
2. Set a CIBP at 7770' with 35' cement on top. This will seal off the Upper Penn perforations.
3. Spot a 25 sx cement plug from 7174'-7274'. This will place a 100' plug across the Wolfcamp top. WOC. Tag plug, reset if necessary.
4. Spot a 25 sx cement plug from 6100'-6200'. This will place a 100' plug across the TOC inside the 7" casing. WOC. Tag plug, reset if necessary.
5. Perforate 4 squeeze holes at 4200'. Establish circulation back up the 7" x 9-5/8" annulus. Pump 50 sx Class "C" cement. Displace the cement to 4100'. WOC 4 hrs. Tag plug, reset if necessary.
6. Perforate 4 squeeze holes at 2635'. Establish circulation back up the 7" x 9-5/8" annulus. Pump 50 sx Class "C" cement. Displace the cement to 2535'. WOC 4 hrs. Tag plug, reset if necessary. This will put a plug across the Bone Spring top.
7. Perforate 4 squeeze holes at 2295'. Pump 50 sx Class "C" cement. Displace the cement to 2195'. WOC 4 hrs. Tag plug, reset if necessary. This will leave a plug across the intermediate casing shoe.
8. Perforate 4 squeeze holes at 387'. Pump 50 sx Class "C" cement. Displace the cement to 287'. WOC 4 hrs. Tag plug, reset if necessary. This will leave a plug across the surface casing shoe.
9. Perforate 4 squeeze holes at 150'. Pump 60 sx Class "C" cement, do not displace the cement. WOC 24 hours. Tag plug, reset if necessary. This will leave cement at the surface in both casing strings.
10. Remove all surface equipment and weld dry hole marker per regulations.

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

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

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date

October 13, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

APPROVED

OCT 20 2006

FREDERICK WRIGHT
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 in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

WELL NAME: Eastern Shore QW Federal No. 2-y FIELD: McMillan PENN

LOCATION: 2,310' FSL & 750' FWL of Section 08-19S-27E Eddy Co., NM

GL: 3,274 ZERO: KB: 3288'

SPUD DATE: 6/30/08 COMPLETION DATE: 8/19/88

COMMENTS: API No.: 30-015-25956

CASING PROGRAM

13-3/8" 54.5# J55 STC	337'
9-5/8" 36# J55 STC	2,245'
7" 26# J-55	580'
7" 23# J-55 LTC	4,927'
7" 26# J55 LTC	2,060'
7" 26# P110 LTC	313'
	7,880'

Before

TOPS

Queen 800'
San Andres 1536'
Bone Spring 2585'
Third BS 6882'
WC lime 7224'
Upper Penn 7810'

17-1/2"
Hole

13-3/8" @ 337'
w/ 800 sx (Circ)

12-1/4" Hole

9-5/8" @ 2,245'
w/ 950 sx cmt (Circ)

TOC = 6,100'
Bv CBL

8-3/4" Hole

Penn Dolo perms: 7,820' - 7,825'
IP at 19,753 mcf/d. 1,350 # x 3/4"

7" @ 7,880'
w/ 300 sx

FC: 7,842'
TD: 7,880'

Accepted for record
NMOCD

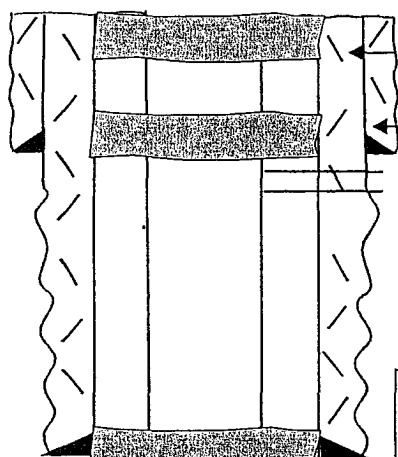
Not to Scale
9/13/06
JMHI

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17-1/2"
Hole



12-1/4" Hole

9-5/8" @ 2,245'
w/ 950 sx cmt (Circ)

Sqz'd perms @ 2,295'. Cmt Plug from 2,195-2,295' w/ 50 sx cmt

Sqz'd perms @ 2,635'. Cmt Plug from 2,535-2,635' w/ 50 sx cmt across BS top

TOC = 6,100'
By CBL

Sqz'd perms @ 4,200'. Cmt Plug from 4,100-4,200' w/ 50 sx

Cmt Plug from 6,100-6,200' w/ 25 sx cmt

Cmt Plug from 7,174-7,274' w/ 25 sx cm across WC top

CIBP @ 7,770' w/ 35' cmt

Penn Dolo perms: 7,820' - 7,825'
IP at 19,753 mcf/d. 1,350 # x 3/4"

7" @ 7,880'
w/ 300 sx

FC: 7,842'
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After

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 9/13/06
 DC/M.Hill