

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007Month - Year
APR 1 2 2007
OCD - ARTESIA, NM

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'FNL & 660'FEL of Section 17-T20S-R29E (Unit H, SENE)

5. Lease Serial No.

NM-01165

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Williamson BC #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, 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 recomplate 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. Rig up all safety equipment as needed. Retrieve RBP at 10,371'.
2. Spot 100' or +/-15 sx Class "H" cement plug from 9605'-9705'. WOC and tag plug. This will leave 100' plug over Wolfcamp.
3. Spot 15 sx Class "H" cement plug from 6900'-7800'. This will leave a plug across DV tool inside 5-1/2" casing. WOC and tag plug, reset if necessary.
4. Spot 15 sx Class "H" cement plug from 5758'-5858'. This will leave a plug across the Bone Spring inside 5-1/2" casing. WOC and tag plug, reset if necessary.
5. Perforate 4 squeeze holes at 3758'. Set a balanced cement plug in 5-1/2" casing and 7-7/8" openhole from 3007'-3758'. Spot 750 sx Class "C" cement. WOC and tag plug. This will leave a plug across intermediate and Delaware.
6. Perforate 4 squeeze holes at 1498'. Place 50 sx Class "C" cement in 5-1/2" casing and 8-5/8" casing from 1389'-1498'. This will put a plug across Capitan Reef top. WOC and tag plug, reset if necessary.
7. Perforate 4 squeeze holes at 650'. Place 50 sx Class "C" cement in 5-1/2" casing and 8-5/8" casing from 550'-650'. This will put a plug across surface casing. WOC and tag plug, reset if necessary.
8. Spot 50 sx Class "C" cement in the casing from 0'-150'. This will leave 150' surface plug in the 8-5/8" casing. WOC 24 hrs. Tag and reset if necessary.
9. Remove all surface equipment and weld dry hole marker per regulations.

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date

April 4, 2007

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

APR 12 2007

WESLEY W. INGRAM
PETROLEUM ENGINEER

WELL NAME: Williamson BC Federal #3

FIELD: Burton Flat

LOCATION: 1,980' FNL & 660' FEL of Section 17-20S-29E

Eddy Co., NM

GL: 3,302' ZERO: 15' KB: 3,317'

SPUD DATE: 12/75 COMPLETION DATE:

COMMENTS: API No.: 30-015-21628

CASING PROGRAM

13-3/8" 48# H40 STC	600'
8-5/8" 24 K55 STC	2,243'
8-5/8" 32 J55 STC	932'
5-1/2" 20# N80 LTC	810'
5-1/2" 17# N80 LTC	10,050'
5-1/2" 20# N80 LTC	1,105'
	11,965'

Before

TOPS

Tansil	1,000'
Yates	1,109'
7 Rivers	1,382'
Capitan Reef	1,489'
Delaware	3,107'
BS	5,859'
1 st BS	7,040'
2 nd BS	7,738'
WC	9,213'
Strawn	10,420'
Morrow	11,234'
L. Morrow	11,687'
Mississippian	11,924'

**Accepted for record
NMOCD**

Not to Scale

2/5/07

DC/Hill

17-1/2"
Hole

12-3/4" Hole

7-7/8" Hole

13-3/8" @ 600' w/
600 sx cmt8-5/8" @ 3,175' w/
1525 sx cmt

TOC 5,620' by TS

DV 7000'

RBP @ 10,371'

CIBP 10,880' w/35' cmt

CIBP 11,450' w/35' cmt

Uni-6 packer SV @
11,807' with o/o

WC Perfs Squeezed: 9,705-22' (18)

Strawn Perfs: 10,444-62'; 10,525-38';
10,575-96; 10,616-29'

Atoka Perfs: 10,927-30' (16)

Morrow Perfs: 11,499-11,768' (18)

Morrow Perfs: 11,823-867' (176)

5-1/2" @ 11,965' w/
795 sx cmt

TD: 11,970'

WELL NAME: Williamson BC Federal #3

FIELD: Burton Flat

LOCATION: 1,980' FNL & 660' FEL of Section 17-20S-29E

Eddy Co., NM

GL: 3,302' ZERO: 15' KB: 3,317'

SPUD DATE: 12/75 COMPLETION DATE:

COMMENTS: API No.: 30-015-21628

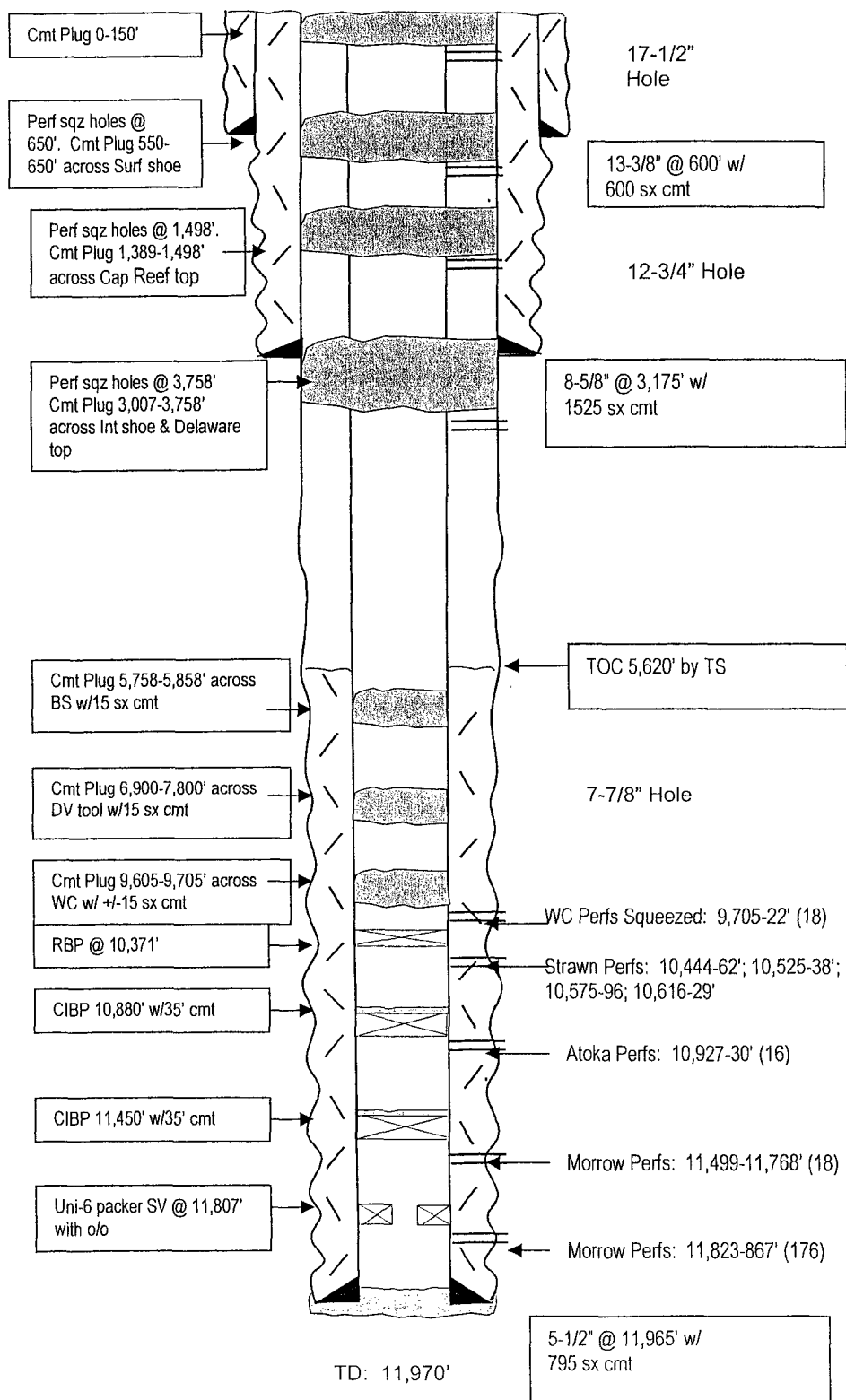
CASING PROGRAM

13-3/8" 48# H40 STC	600'
8-5/8" 24 K55 STC	2,243'
8-5/8" 32 J55 STC	932'
5-1/2" 20# N80 LTC	810'
5-1/2" 17# N80 LTC	10,050'
5-1/2" 20# N80 LTC	1,105'
	11,965'

After

TOPS

Tansil	1,000'
Yates	1,109'
7 Rivers	1,382'
Capitan Reef	1,489'
Delaware	3,107'
BS	5,859'
1 st BS	7,040'
2 nd BS	7,738'
WC	9,213'
Strawn	10,420'
Morrow	11,234'
L. Morrow	11,687'
Mississippian	11,924'

Accepted for record
NMOCDNot to Scale
3/14/07
DC/Hill

**Williamson BC #3
API No. 30-015-21628
Yates Petroleum Company
April 12, 2007
Conditions of Approval**

Step 1 Ok

Step 2 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 3 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth. Plug to be set 50' below the DVT. Depth should be 6950'-7050'.

Step 4 Plug is to be a minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 5 Plug to be a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 6 Plug to be a minimum of 100' plus 10% slurry for each 1000 feet of depth.

Step 6a Plug needed at top of Yates/Base of Salt – minimum of 25 sacks and a minimum of 100' plus 10% slurry for each 1000 feet of depth. Tag plug.

Step 7 Extend plug to cover top of salt at approximately 460 feet.

Step 8 Perforate and squeeze surface plug.

Step 9 Ok

WWI 041207

**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 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.

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.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

Interim Reclamation Procedures for Permanently Abandoned Federal Wells

1. After Subsequent Report of Abandonment, Form 3160-5, is filed and approved by the BLM the surface protection specialist (SPS) will conduct a surface inspection of the abandonment. The SPS will establish the reclamation requirements the operator will need to complete. **DO NOT START RECLAMATION UNTIL THE SPS HAS INSPECTED THE LOCATION.**
2. The reclamation requirements will be given to an environmental protection specialist (EPS). The EPS will issue the operator a Notice of Written Order outlining the reclamation requirements. **DO NOT START RECLAMATION UNTIL A NOTICE OF WRITTEN ORDER FOR RECLAMATION HAS BEEN RECEIVED.** The EPS will be responsible for all further abandonment work and inspections.
3. **Notification: CONTACT THE EPS 3 DAYS PRIOR TO RECLAMATION WORK.** This notification gives the EPS an opportunity to discuss by phone or on location the reclamation requirements, any special concerns and the timeframes. It also allows the EPS an opportunity to witness various aspects of the reclamation work to determine if an adequate seedbed has been prepared and all reclamation requirements have been completed. **CONTACT THE EPS AT LEAST 3 DAYS PRIOR TO SEEDING.** This allows the EPS to witness the seeding operation to make sure the location is seeded properly and with the appropriate seed mixture. **DO NOT START RECLAMATION UNTIL THE EPS HAS BEEN NOTIFIED.**
4. After reclamation work has been completed, submit the I & E copy of the Notice of Written Order to the BLM. It will need to be signed by a company representative and dated. Also submit one original and five copies of the **Final Abandonment Notice, Form 3160-5.** The report should state that all reclamation work has been completed, and the location is ready for a final abandonment inspection.
5. The BLM will continue to monitor the location to ensure the location vegetates successfully, and salts from the reserve pit do not leach to the surface. The location will be monitored until such time as vegetation (20%) is established evenly across the location (including the reserve pit and access road). Once EPS determines that vegetation (20%) is evenly spread across the location, final abandonment will be authorized.

If there are any questions please feel free to contact any of the following:

Jim Amos
Supervisory Environmental Protection Specialist
(505) 234-5909

Barry Hunt
Surface Protection Specialist
(505) 234-5965

Todd Suter
Surface Protection Specialist
(505) 234-5987

Trishia Bad Bear
Natural Resource Specialist - Lea County
(505) 393-3612

Cody Layton
Natural Resource Specialist
(505) 234-5959

Paul Evans
Environmental Protection Specialist
(505) 234-5977

Terry Gregston
Environmental Protection Specialist
(505) 234-5958

**Accepted for record
NMOCD**

10/18/2006