



United States Department of the Interior

HOBBS OCD

BUREAU OF LAND MANAGEMENT

Pecos District

2909 West Second Street

Roswell, New Mexico 88201-2019



DEC 05 2011

RECEIVED

New Mexico Oil Conservation Division, District I
1625 N. Peach Drive
Hobbs, NM 88240

In Reply Refer To:

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NMNM-256521

NMP0130

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CERTIFIED—RETURN RECEIPT REQUESTED

7010 1870 0002 4547 0969

Yates Drilling Company
105 South 4th Street
Artesia, NM 88210

30-005-21159

Subject: Approval of Final Abandonment Notice for Cactus Queen Unit #16 well

Dear Mr. Yates:

The Bureau of Land Management (BLM) is in receipt of your Final Abandonment Notice dated November 12, 2009 for the Cactus Queen Unit #16 well located 750' FNL & 1000' FWL of section 34, T. 12 S., R. 31 E., Chaves County, New Mexico.

On November 8, 2011 Jared Reese, Natural Resource Specialist for the BLM inspected the well site and has determined that due to the severe drought conditions that we have experienced these past couple of years, the well should be placed into another two year monitoring period to determine the overall success of the previous reclamation. The BLM will re-inspect the location two years from now and when the site is determined to be in a safe, stable, and satisfactory re-vegetative state, BLM will process and approve your request for Final Abandonment.

However, if during those next two (2) years the BLM determines that there has been adequate precipitation to achieve a successful re-vegetative status and the location still does not meet BLM standards, the operator will be required to reclaim the location again until those standards are met. Under Onshore Order #1 XII B, it states "until surface reclamation is completed to the satisfaction of the BLM Authorized Officer final Abandonment will not be approved".

If you have any questions concerning our monitoring of the location, please contact Jared Reese, Natural Resource Specialist, BLM (575-627-0249).

Sincerely

/s/ Angel Mayes

Angel Mayes

Assistant Field Manager,

Lands and Minerals

ELG 12-8-2011

DEC 08 2011