

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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.

5. Lease Serial No.	NM-77063
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	Continental APJ Federal #1
9. API Well No.	30-025-20428
10. Field and Pool, or Exploratory Area	Sand Dunes; Bone Spring, South
11. County or Parish, State	Lea County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> 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)	660'FNL & 1980'FWL of Section 28-T23S-R32E (Unit C, NENW)		

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. Rig up all safety equipment as needed.
2. Set a 5-1/2" CIBP at 8824' with 35' cement on top. (Casing burler - Onshore #2)
3. Circulate plugging mud and spot 100' (25 sx) plug inside casing from 6550'-6450'.
4. Spot 100' (25 sx) plug inside casing from 4650'-4550'.
5. Perforate casing at 1257' and RIH with tubing and packer to +/-1000'. If injection rate can be established, pump 30 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx from 1257'-1157' inside casing. Tag plug.
6. Perforate casing at 395' and RIH with tubing and packer to +/-200'. If injection rate can be established, pump 35 sx cement leaving 100' plug in and out of casing. If injection rate cannot be established, spot 25 sx from 395'-295' inside casing. Tag plug.
7. Perforate casing at 60'. If injection rate can be established, pump 25 sx leaving cement in and out of casing. If injection rate cannot be established, spot 15 sx cement from 60' to surface inside casing.
8. Cut off wellhead and install marker. Clean location as 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	<i>Tina Huerta</i>
Date	August 24, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	<i>Merly M. Ingram</i>	Title	<i>Petr Engr</i>	Date	<i>8/31/06</i>
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 <i>CFO</i>				

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 or to any matter within its jurisdiction.

WELL NAME: Continental "APJ" Federal No. 1 FIELD: Wildcat

LOCATION: Unit C, 660' FNL & 1980' FWL Sec 28-23S-32E Lea County NM

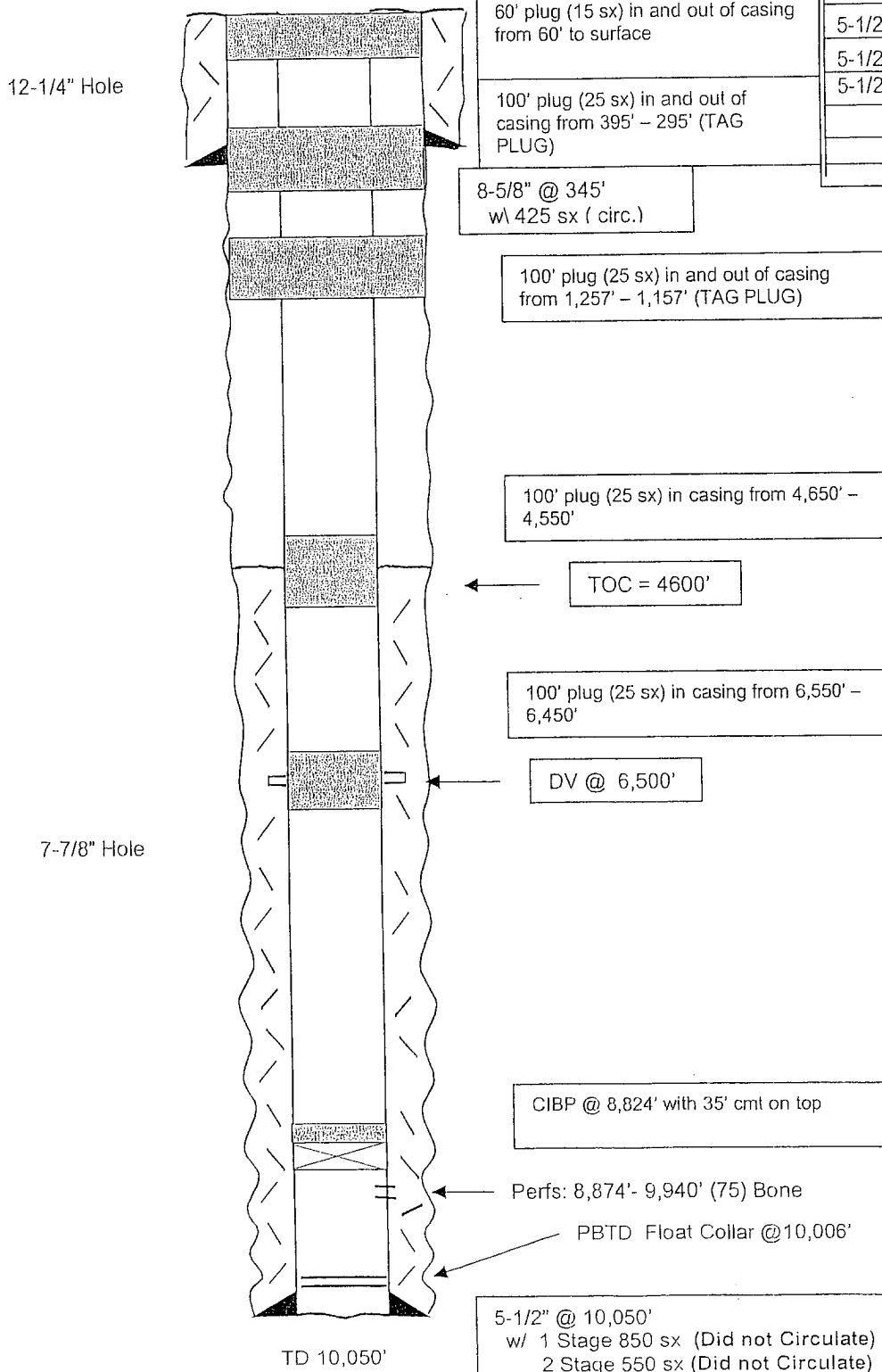
GL: 3687' ZERO: KB: 3702.5'

SPUD DATE: 8-25-95 re-entry COMPLETION DATE: 9- 9-95

COMMENTS: API # 30-025-20428

CASING PROGRAM

8-5/8" 24# J55 ST&C	345'
5-1/2" 17# N80 LT&C	4,219.99'
5-1/2" 15.5 J55 LT&C	2,967.30'
5-1/2" 17# J55 LT&C	941.22'
5-1/2" 17# N80 LT&C	1,921.49'
	10,050'



After

Tops:

Rustler	1,207'
Bottom Salt	4,603'
Delaware	4,842'
Cherry Cny	5,882'
Bone Spring	8,755'

NOT TO SCALE
2/16/06
DC/Hoskins

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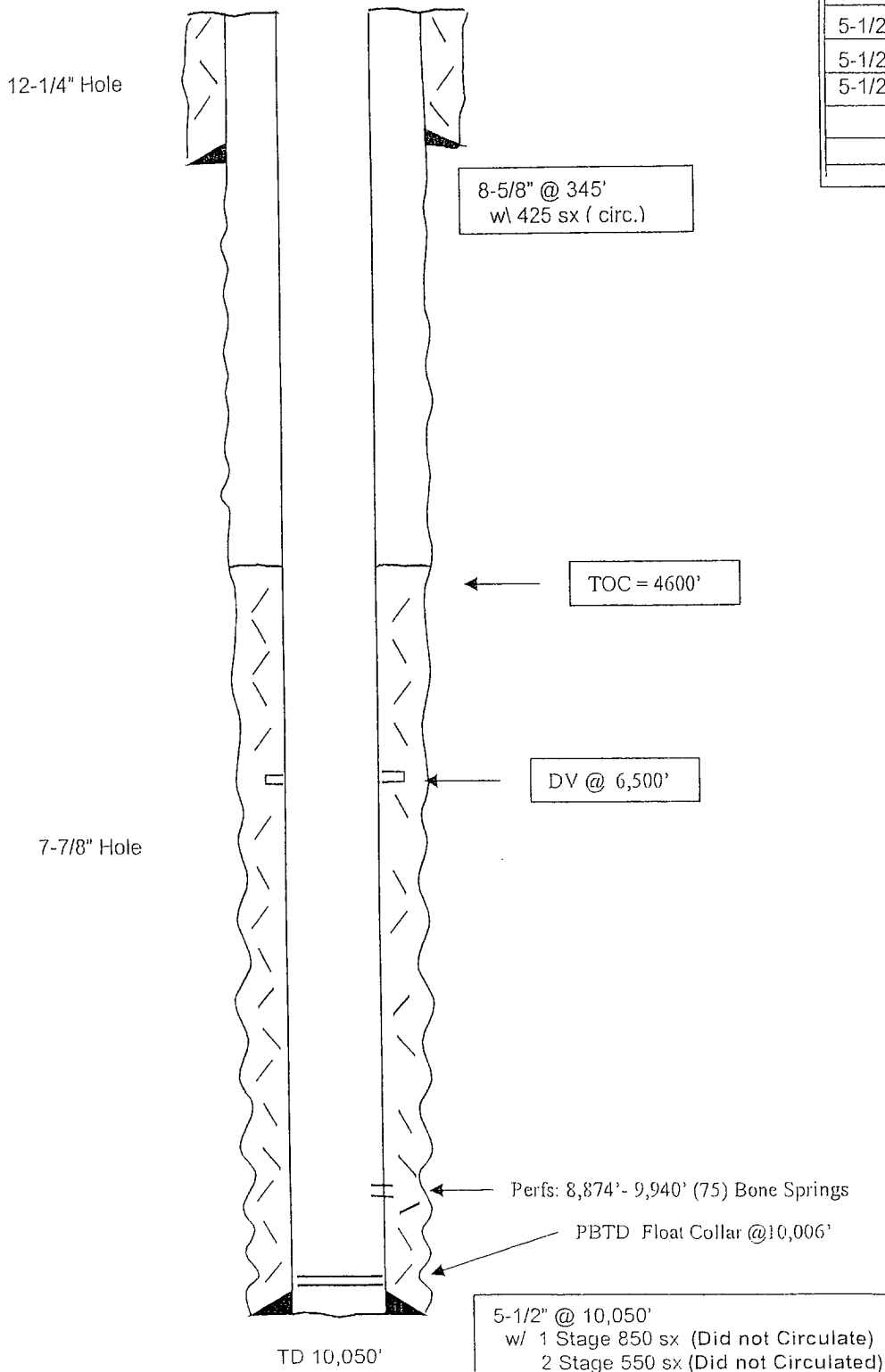
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