

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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)

660'FNL & 1980'FWL of Section 8-T19S-R27E (Unit C, NENW)

5. Lease Serial No.

NM-A-34905

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Eastern Shore TL Federal #1

9. API Well No.

30-015-24282

10. Field and Pool, or Exploratory Area

McMillan Upper 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 30 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 when 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. +/-7000' of 4-1/2" casing recovery will be attempted.
- Load the hole with plugging mud. Spot a 10 sx plug from 7904'-8004' across the 7" casing shoe. WOC and tag plug, reset if necessary.
- Set a 4-1/2" CIBP at 7658' with 35' cement on top. This will seal off the Canyon perforations.
- Spot a 10 sx plug from 7064'-7164'. This will place a 100' plug across the Wolfcamp top. WOC and tag plug, reset if necessary.
- Find TOC in 4-1/2" casing. Free point the casing and cut it 50' above the free point at +/-7000'. Pull the 4-1/2" casing.
- Spot a 25 sx plug from inside the 4-1/2" casing up the 7" casing across the 4-1/2" casing stub at +/-7000'. This will leave a 100' plug across the casing stub. WOC and tag plug, reset if necessary.
- Spot a 25 sx plug from 4900'-5000'. WOC and tag plug, reset if necessary.
- Perforate 4 squeeze holes at 3795'. Establish circulation back up the 7" x 9-5/8" annulus. Pump 50 sx Class "C" cement, displace the cement to 3695'. WOC 4 hrs and tag, reset if necessary.
- Perforate 4 squeeze holes at 2590'. Establish circulation back up the 7" x 9-5/8" annulus. Pump 50 sx Class "C" cement, displace the cement to 2490'. WOC 4 hrs and tag, reset if necessary.
- Perforate 4 squeeze holes at 435'. Establish circulation back up the 5-1/2" x 9-5/8" annulus. Pump 50 sx Class "C" cement, displace the cement to 335'. WOC 4 hrs and tag, reset if necessary. This will leave a plug across the surface casing shoe.
- Perforate 4 squeeze holes at 150'. Establish circulation back up the 5-1/2" x 9-5/8" annulus. Pump 60 sx Class "C" cement, do not displace the cement. WOC 24 hrs and tag, reset if necessary. This will leave cement at the surface in both casing strings.
- 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 2, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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

WELL NAME: Eastern Shore TL Federal #1

FIELD: McMillan Penn

LOCATION: 660' FNL & 1,9880' FWL Sec 8-19S-27 E

Eddy County, NM

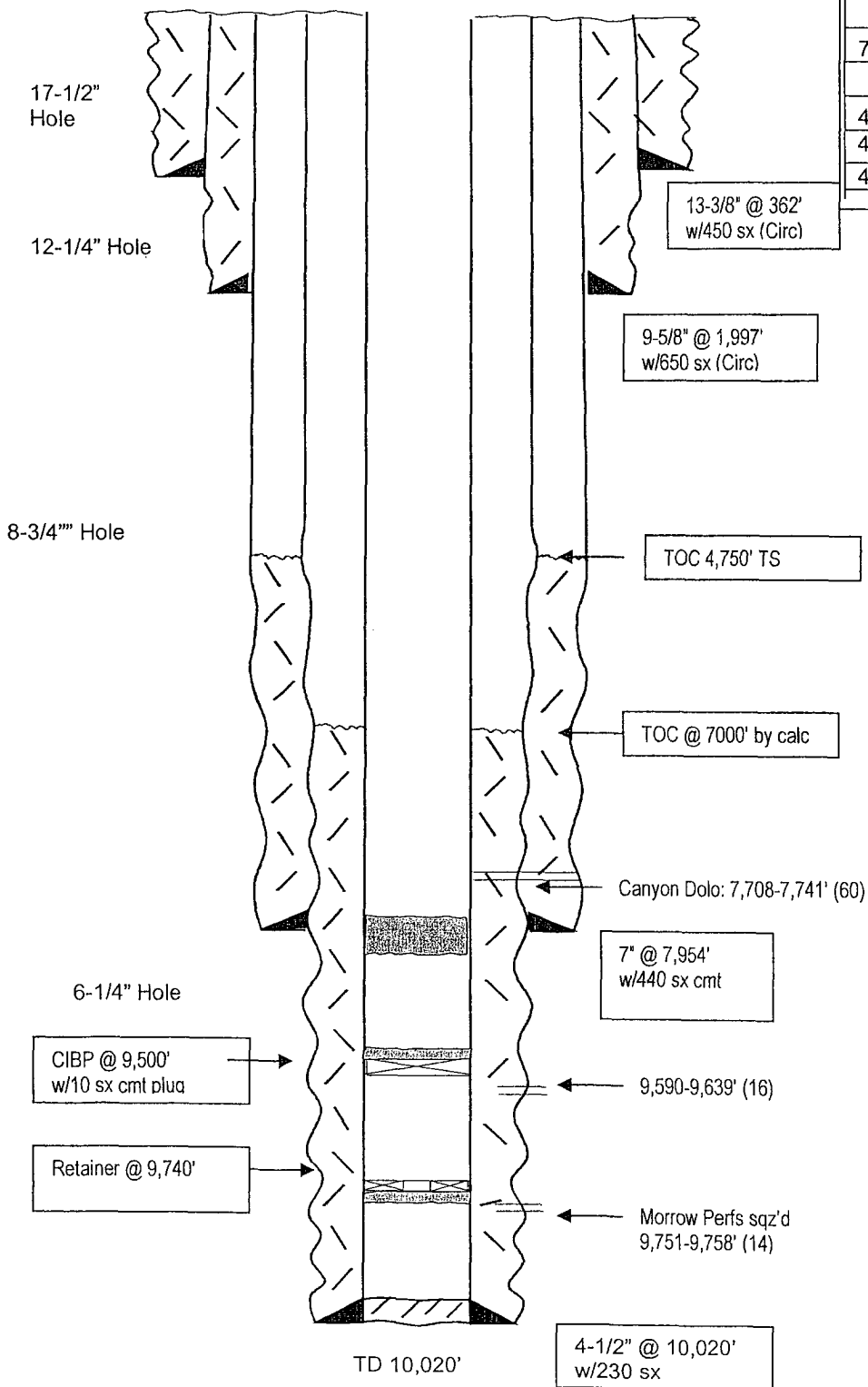
GL: 3,275' ZERO: 19 KB: 3,294'

SPUD DATE: COMPLETION DATE:

COMMENTS: API No.: 30-015-24282

CASING PROGRAM

13-3/8" 40.5# J55 STC	362'
9-5/8" 36# J55 STC	1,997'
7" 26# K55 LTC	7,954'
4-1/2" 11.6# N80 LTC 1,253'	
4-1/2" 11.6# K55 LTC 8,224'	
4-1/2" 11.6 N80 LTC	10,020'



Before

TOPS

SA	1,540'
Glorieta	2,510'
BS 1/Sd	2,590'
BS 3/Sd	6,890'
WC	7,164'
Penn U.	7,618'
Strawn	8,516'
Atoka	9,178'
Morrow Cl	9,551'
Morrow L.	9,676'
Austin Cl	9,775'

Not to Scale
9/8/06
DC/Hill

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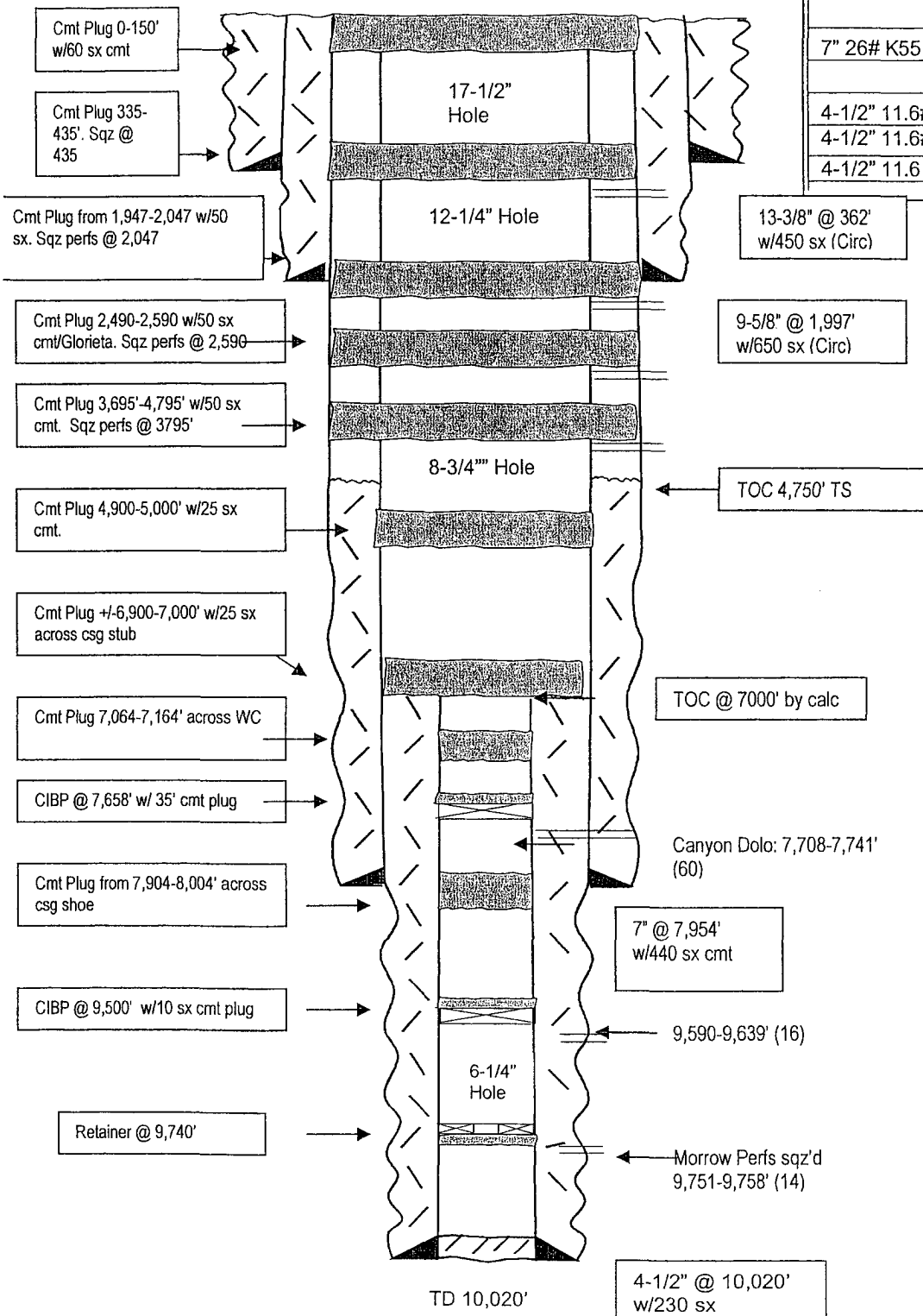
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