

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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)

1650'FSL & 1200'FEL of Section 12-T9S-R27E (Unit I, NESE)

5. Lease Serial No.

NM-100542

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lobo AXU Federal #1

9. API Well No.

30-005-61883

10. Field and Pool, or Exploratory Area

Wildcat Wolfcamp

11. County or Parish, State

Chaves 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 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. Set a CIBP at 10,600' with 35' cement on top.
2. Circulate hole with mud.
3. Perforate at 8350' and place a 100' cement plug from 8350'-8250'.
4. Perforate at 5400' and place a 100' cement plug from 5400'-4925'. WOC and tag.
5. Spot a 100' cement plug from 2000'-1900'.
6. Perforate at 458' and place a cement plug from 458'-358'. WOC and tag.
7. Spot a 10 sx plug at surface.
8. Install dry hole marker. Remove equipment and clean location.

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

Accepted for record
NMOCD

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

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

September 21, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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: Lobo AXU Federal #1 Field: _____

Location: 1650' FSL & 1200' FEL Sec. 12-9S-27E Chaves Co, NM

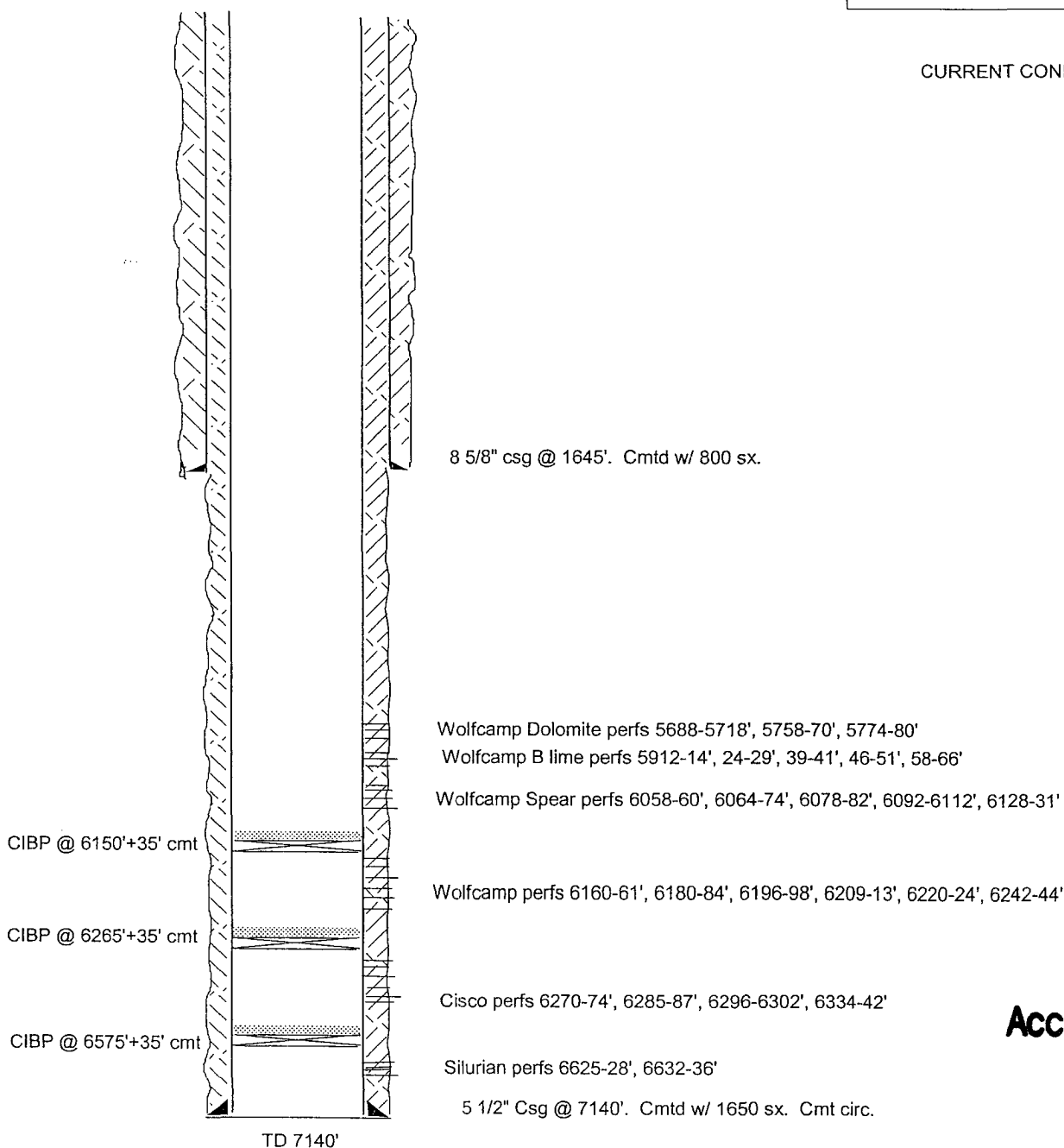
GL: 3879' Zero: _____ AGL: _____ KB: 3886

Spud Date: _____ Completion Date: _____

Comments: A re-entry of Cibola Energy's Aciete Negra #2.

Casing Program	
Size/Wt/Grade/Conn	Depth Set
8 5/8" 24#	1645'
5 1/2" 15.5# & 17# J55	7140'

CURRENT CONFIGURATION



Accepted for record
NMOCD

SKETCH NOT TO SCALE

DATE: 9/20/06 LOBO1

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Location: 1650' FSL & 1200' FEL Sec. 12-9S-27E Chaves Co, NM

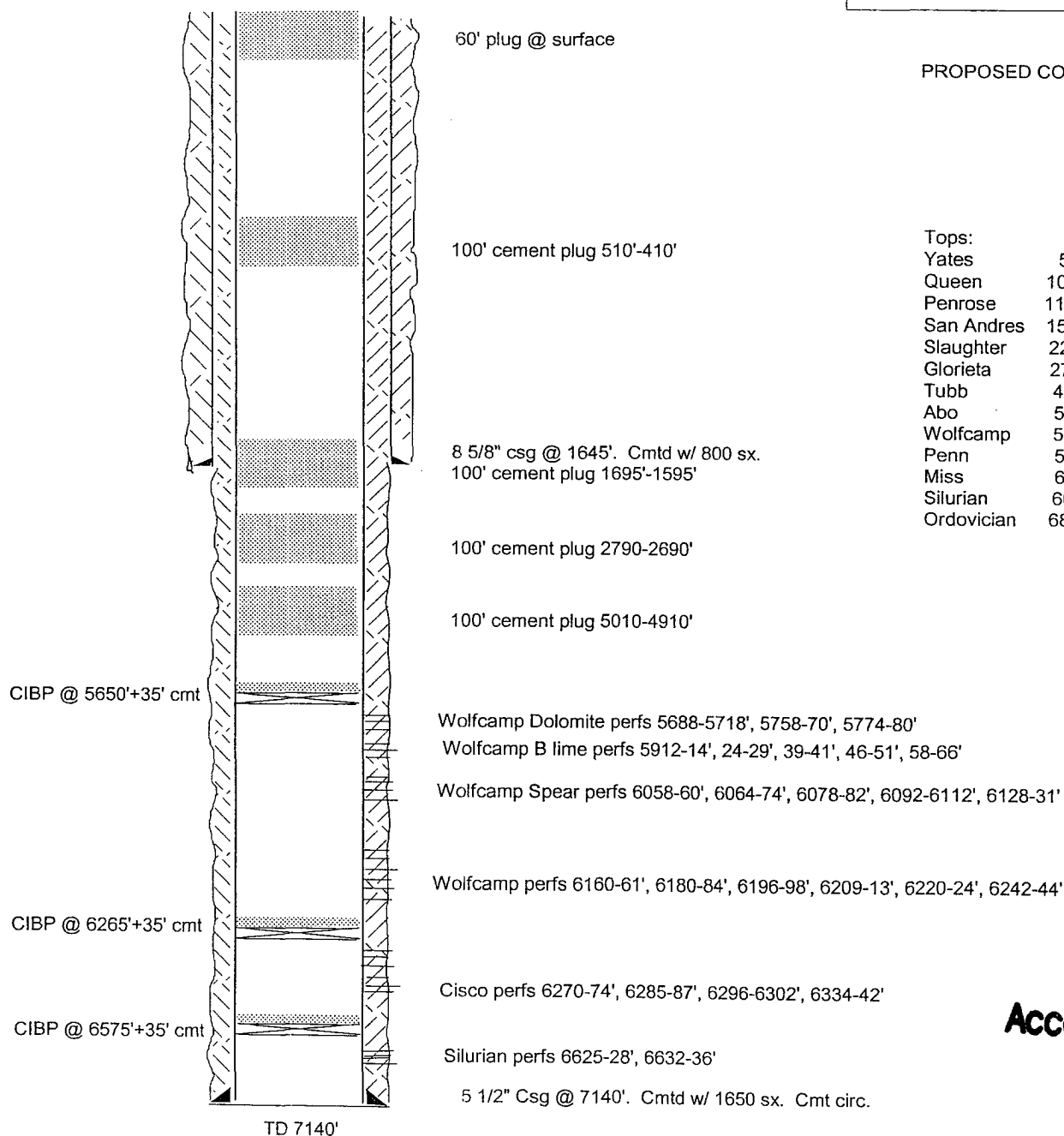
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PROPOSED CONFIGURATION



Tops:	
Yates	519'
Queen	1082'
Penrose	1189'
San Andres	1592'
Slaughter	2200'
Glorieta	2796'
Tubb	4263'
Abo	5010'
Wolfcamp	5625'
Penn	5900'
Miss	6571'
Silurian	6619'
Ordovician	6802'

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NMOCD**

SKETCH NOT TO SCALE

DATE: 9/20/06 LOBO1