

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Hobbs, NM

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**RECEIVED**

MAR 09 2009

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

5. Lease Serial No. NM-044216-A

6. If Indian, Allottee or Tribe Name \_\_\_\_\_

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

8. Well Name and No. Orbit Federal AB#1

9. API Well No. 30-041-20204

10. Field and Pool, or Exploratory Area Bluit San Andres Assoc.

11. County or Parish, State Roosevelt, NM

1. Type of Well  
☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator John A. Yates Jr.

3a. Address PO Box 900 Artesia, NM 88211

3b. Phone No. (include area code) 575-748-4251

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2130' FSL and 660' FEL of Section 24-T8S-R37E  
(Unit I, NESE)

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 checked="" 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 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.)

Reclamation of well in accordance with BLM Brian Novosck letter

1. Trash to be cleaned & removed
2. Saturated oily soil to be disposed of in an authorized facility.
3. All abandoned pipelines removed.
4. Caliche removed from location & road per letter.
5. Monument prepared per letter.
6. Traffic barrier constructed per letter.

\* Request to seed in June per letter for better results.

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

Name (Printed/Typed)

Dan S Lewis

Title

Comptroller

Signature

Dan Lewis

Date

2-27-09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jerry Dutchover

Acting

Assistant Field Manager,

Lands And Minerals

Date

MAR 04 2009

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 ROSWELL FIELD 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.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Roswell Field Office

2909 West Second Street

Roswell, New Mexico 88201-2019

www.nm.blm.gov



Dan Lewis

575-748-4251

513-1291 cell

746-0353 Fax

FEB 11 2009

3100(p)

NM-044216A

04-011-09W

NM513

CERTIFIED—RETURN RECEIPT REQUESTED

7003 0500 0000 4454 4165

John A Yates Jr.

PO Box 853

Artesia, NM 88211

Subject: Lease #NM-044216A, Orbit Federal AB #1, API # 30-041-20204  
Located T. 08 S., R. 37 E., Sec.24, NESE, NMPM., Roosevelt County, NM

Re: Surface Reclamation on Abandonment

## NOTICE OF ORDER(S) OF THE BLM AUTHORIZED OFFICER

To whom it may concern:

The above referenced well was inspected on December 08, 2008 by BLM Brian Novosak (Surface Specialist). Pursuant to 43 CFR 3162.5-1 you are required to conduct operations in a manner which protects environmental quality.

The following items were found to be in noncompliance with environmental regulations as in 43 CFR 3162.5-1(a):

1. TRASH: The location and the immediate area surrounding the location shall be cleaned of all trash and debris. The trash and debris (e.g., discarded pieces of pipe, boards, posts, miscellaneous equipment parts, etc.) shall be disposed of at an authorized disposal site. Trash will not be buried on the location.
2. SATURATED SOIL: All stained soil located on the location shall be excavated and disposed of at an authorized disposal facility. Excavated areas shall be backfilled with clean earthen material and recontoured to mirror the contours of the surrounding terrain.
3. PIPELINES: Remove all abandoned surface and subsurface pipelines. For abandoned subsurface lines flush, cut, and cap the exposed portion of the line at the point where the buried portion runs horizontal or 3' below ground level, whichever is greater.

4. **CALICHE REMOVAL:** Caliche shall be removed from the location and access road down to the original soil horizon. The removed caliche can be used on existing roads in need of maintenance, or hauled to a material pit for disposal. All culverts or other structures will be removed. All fill material will be replaced into the cut areas; barrow and lead-off ditches, drainage dips, or other erosion control earthwork will be filled or smoothed. The location shall be returned to a natural landform. This includes constructing mounds and depressions that mirror the contours of the surrounding terrain. If the caliche is to be used on a county road or hauled to a federal material pit, contact Jerry Dutchover at (575) 627-0236 to check for additional requirements. Adequate water bars shall be constructed to prevent water erosion on slopes 10% or more. The water bars shall be constructed perpendicular to the contour.
5. **MONUMENT:** Upon abandonment of the well, 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 covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
6. **SEEDING:** Once the caliche has been removed and a seed bed has been prepared, the entire location and access road shall be seeded with the prescribed mixture as described in the attached Seed Mixture.
7. **TRAFFIC BARRIER:** The entrance to the access shall be protected from vehicular travel by constructing an earthen barricade or fence barrier to prevent entry on the road. The barricade shall be of sufficient size to discourage vehicle access.

**CONSTRUCTION NOTIFICATION:** Prior to commencing reclamation activities, the lessee or operator must notify the BLM using Form 3160-5, Notice of Intent, describing the details of the work that is to be completed for each environmental problem, including a map showing the disturbed area and roads to be reclaimed. You are also required to contact all off-lease rights-of-way holders prior to reclamation. No excavation activities shall occur until approval is granted by the Authorized Officer.

**CORRECTIVE ACTION COMPLETION NOTIFICATION:** Upon completion of reclamation operations, the lessee or operator must notify the BLM using Form 3160-5, Final Abandonment Notice, stating surface restoration is complete and ready for inspection when the above required actions have been accomplished; an original and 5 copies are required. **Your liability under bond is retained until surface reclamation is complete and approved by the Authorized Officer.**

Approval of the Final Abandonment Notice for this well shall be contingent upon compliance with all existing regulations (i.e., 43 CFR 3162.3-4(c), Onshore Oil and Gas Order No. 1, NMOCD, National Historical Preservation Act).

In accordance with 43 CFR 3163.1(a), please comply with the corrective actions for identified environmental problems no later than **March 15, 2009**. If you fail to comply within the time frames specified, you may be subject to an assessment or additional enforcement actions as deemed necessary.

### **Warning**

Orders of the Authorized Officer or Incidents of Non Compliance and reporting time frames begin upon receipt of the Notice or 7 business days after the date it is mailed, whichever is earlier. Each problem or violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management, Roswell Field office.

For Incidents of Non Compliance, please note that you already may have been assessed for noncompliance (see amount under "Assessed for Noncompliance"). If you do not comply as noted above under: Corrective Action to Be Completed By," you may incur additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

### **REVIEW AND APPEAL RIGHTS**

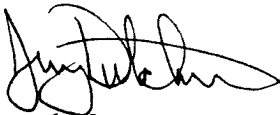
You have the right to request a State Director Review of the provisions of this letter, pursuant to 43 CFR 3165.3(b), and if adversely affected by the State Director's decision, to appeal that decision to the Interior Board of Land Appeals (IBLA), pursuant to 43 CFR 3165.4(a). Your request should be filed with the New Mexico State Director within twenty business days of the date this notice is received by you or considered to have been received by you, pursuant to 43 CFR 3165.3(b). Should you fail to timely request a State Director's Review or after receiving the State Director's decision fail to file an appeal timely, no further administrative review of the provisions of this letter will be possible.

#### **Requests for State Director Reviews should be sent to:**

**New Mexico State Director  
Bureau of Land Management  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115**

We appreciate your cooperation in responding to this request. Please contact Brian Novosak at (575) 627-0284 with questions regarding this matter.

Sincerely,

  
for Angel Mayes  
Assistant Field Manager  
Lands and Minerals

Attachment: Pecos District, BLM Seed Mix for Range Site: Shallow Sand SD-3/Sandy SD-3

PECOS DISTRICT  
SEED MIX FOR

The following Soils or Soil associations may represent these ecological sites:  
Alama-Poquita, Alama-Reeves, Anthony sandy loam, Berino, Blakeney-Ima, Cacique, Dona Ana,  
Glendale-Harkey, Harkey sandy loam, Karro loam, Kermit-Berino fine sands, Mobeetie fine sandy loam,  
Pajarito-Bluepoint, Poquita, Potter-Simona complex, Sharvana-Redona, Simona, Simona-Bippus complex,  
Sotim-Berino, Sotim-Simona association, moderately undulating, Tonuco loamy sands, Vinton

Ecological Site: Shallow Sand SD-3  
Ecological Site: Sandy SD-3

April 4, 2006

<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Pounds of Pure Live Seed Per Acre</u>
Black grama or Blue grama,	( <i>Bouteloua eriopoda</i> ) ( <i>Bouteloua gracilis</i> )	3.0
Sideoats grama	( <i>Bouteloua curtipendula</i> )	2.0
Sand dropseed or Mesa dropseed or Spike dropseed	( <i>Sporobolus cryptandrus</i> ) ( <i>S. flexuosus</i> ) ( <i>S. contractus</i> )	1.5
Desert or Scarlet Globemallow	( <i>Sphaeralcea ambigua</i> ) or ( <i>S. coccinea</i> )	1.0
Croton	( <i>Croton</i> spp.)	<u>1.0</u>
TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE Certified Weed Free Seed		8.5

IF ONE SPECIES IS NOT AVAILABLE,  
INCREASE ALL OTHERS PROPORTIONATELY

Use no less than 4 species, including 1 forb

No less than 8.5 pounds pls per acre shall be applied

APPROVED: /s/ Douglas J. Burger  
District Manager- Pecos District

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified. This stipulation does not apply to the operation and maintenance of production facilities.

On the land described below:

Lease #NM-044216A, Orbit Federal AB #1, API # 30-041-20204  
Located T. 08 S., R. 37 E., Sec.24, NESE, NMPM., Roosevelt County, NM

For the purpose of: Protecting Lesser Prairie-Chickens

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 1 through June 15, each year. During that period, between 3:00 a.m. and 9:00 a.m., other activities that produce noise and involve human activity, such as geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will not be allowed. Noise producing activities which do not require a human presence, such as venting, flaring, or pumping, are exempt from the 3:00 a.m. and 9:00 a.m. restriction. Regardless of the time of year, exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.