

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
(April 2004)

RECEIVED

JUL 08 2010

HOBBSDO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ABANDONMENT 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.

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5 Lease Serial No
NM-03283

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No.
LILLIE M. YATES #2 (LMY #2)

9. API Well No.
30-041-00275

10. Field and Pool, or Exploratory Area
ALLISON PENN

11 County or Parish, State
ROOSEVELT CO., NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

2 Name of Operator
YATES DRILLING COMPANY

3a. Address
105 SOUTH FOURTH ST., ARTESIA, NM 88210

3b. Phone No. (include area code)
575-748-8640

4 Location of Well (Footage, Sec, T., R., M., or Survey Description)
1874' FNL & 1874' FWL, SECTION 33, T8S-R37E

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 SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	RESTORATION
	<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)

PURSUANT TO A DIRECTIVE FROM BOTH THE BUREAU OF LAND MANAGEMENT (BLM) AND NEW MEXICO DEPARTMENT OF GAME AND FISH (NMDGF), THE SURFACE OWNER, YATES DRILLING COMPANY (YDC) WILL BE REQUIRED TO DEEP BURY THE CALICHE ROADWAY FROM THE LMY# 1 WELL SITE TO THE LMY #2 WELL PAD AND DEEP BURY AN UNVEGETATED PORTION THE CALICHE LMY #2 WELL PAD IN ACCORDANCE WITH BLM & NMDGF GUIDELINES.

A MEETING WAS HELD ON WEDNESDAY, JUNE 16, 2010 IN MILNESAND, NM BETWEEN THE BLM, NMDGF AND YDC TO DISCUSS THE MATTER AND ESTABLISH THE GUIDELINES. FOLLOWING THE MEETING, THE NMDGF AND YDC MET ON THE WELL SITE AND FINALIZED THE RECLAMATION PROCEDURES.

AN ARCHAEOLOGICAL INVESTIGATION WAS CONDUCTED BY BOONE ARCHAEOLOGICAL SERVICES OF THE PROPOSED RECLAMATION AREA. NO CULTURAL RESOURCES WERE ENCOUNTERED. A COPY OF THIS REPORT HAS BEEN PROVIDED TO THE BLM AND NMDGF.

YDC IS CURRENTLY WAITING ON APPROVAL AND AN EXECUTABLE AGREEMENT FROM THE NMDGF ALLOWING ACCESS TO THE WELL SITE TO PROCEED WITH THE RECLAMATION WORK.

**ACCEPTED FOR
RECORD**

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

TONY KRAKAUSKAS

Title **LAND MANAGER**

Signature

Tony Krakas

Date

06/25/2010

JUL 01 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

NAME

Environment Protection

Approved by

PETROLEUM ENGINEER

Date

JUL 09 2010

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

BOSWELL 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

(Instructions on page 2)

P.m.