

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL COMMISSION
P.O. BOX 1980
HOBBBS, NEW MEXICO 88240
FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

10/20/94

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

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

2. Name of Operator
Yates Drilling Company

3. Address and Telephone No.
105 S. 4th St., Artesia, NM 88210 (505-748-1471)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980 ' FSL & 1997' FWL Section 30-19S-32E

5. Lease Designation and Serial No.

NM-01218

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

CA-SW-77

8. Well Name and No.

Elliott Hall B #2

9. API Well No.

30-025-20035

10. Field and Pool, or Exploratory Area

Lusk Strawn Lea

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Temp. Abandon

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

We propose to temporarily abandon the subject well with the intention of possibly recompleting the well in a shallower horizon. Recent and current drilling in the section may help define production potential of zones behind pipe in this well. We expect to pressure test the casing above the strawn within the next week. The BLM will be notified to witness the test.

(BLM letter attached)

RECEIVED
OCT 20 11 43 AM '94
BUREAU OF LAND MGMT.
HOBBBS, NM.

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

Signed

Joe G. Lara

Title

Petroleum Engineer

Date

10-18-94

(This space for)

APPROVED BY: (ORIG. SGT.) JOE G. LARA

Title

PETROLEUM ENGINEER

Date

11/16/94

Conditions of approval, if any:

See attached.

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Lea County Inspection Section

P.O. Box 1157

Hobbs, NM 88240-1157

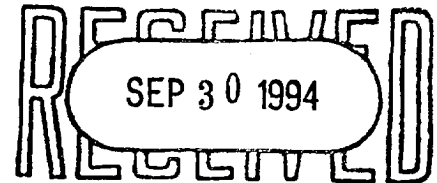


IN REPLY REFER TO:
3162 (067A)

CERTIFIED MAIL RETURN RECEIPT REQUESTED
Z 106 615 769

SEP 27 1994

Yates Drilling Co.
105 S. Fourth Street
Roswell, NM 88210



Gentlemen:

Our records show that the well(s) on the attached list are operated by you and are Shut-In (SI) or Temporarily Abandoned (TA). The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion. According to our records the well(s) listed have been shut-in for 6 months or longer or have been temporarily abandoned without authorization. 43 CFR 3162.3-4(c) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Accordingly, you are to take one of the following actions for each well listed:

1. Return the well to production or beneficial use.
2. Plug and abandon the well.
3. Request approval for temporary abandonment and include a schedule for casing integrity testing.

If you decide to return the well(s) to production or beneficial use, submit a Sundry Notice of intent within 30 days of receipt of this letter. Include the date you anticipate the well(s) being placed back in service. Use Form 3160-5 and submit the original and 5 copies for each well. 43 CFR 3162.4-1(c) also requires you to notify the Authorized Officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

If you decide to plug and abandon the well(s), submit a separate Sundry Notice (Form 3160-5, original and 5 copies) for each well within 30 days of receipt of this letter and describe the proposed plugging program.

If you decide to temporarily abandon the well(s), submit a Sundry Notice (Form 3160-5, original and 5 copies) within 30 days of receipt of this letter, and state your justification for carrying the well(s) in a Temporarily Abandoned status. Justification must include the reason(s) why the well(s) should not be permanently plugged and abandoned. If the well(s) is/are to be used for beneficial purposes, include information concerning future use. A brief description of your proposed plans and economic feasibility and an anticipated date for placing the well(s) in beneficial use will suffice. Beneficial use includes, but is not limited to, recompletion to other horizons, conversion to injection for secondary or enhanced recovery, and salt water disposal. Approval for temporary abandonment may be denied if the Authorized Officer determines your justification is not reasonable.

For monitoring and tracking purposes, please submit appropriate paperwork for wells identified on attached list to Bureau of Land Management, P.O. Box 1157, Hobbs, New Mexico 88240, Attention: Vince Balderaz or Andrea Massengill. This information will be forwarded to Carlsbad Area Manager for final disposition.

Contact Vince Balderaz or Andrea Massengill at (505) 393-3612 if you have any questions.

Under provisions of 43 CFR 3165.3, you may request a State Director's Review of the orders described above. Such a request including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR Part 4.

Sincerely,



Richard L. Manus
Area Manager

Attachment:(3)
List of TA/SI Wells
Conditions of Approval (TA & PA)

OPERATOR
Yates Drilling Co

LEASE NUMBER	WELL NAME	WELL NO	STATUS
LEGAL LOCATION	API NO		
SW77	Elliott Hall B	02	OSI
NESW 30-19S-32E	300252003500	NM01218	

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Temporary Abandonment of Wells on Federal Lands

Conditions of Approval

According to 43 CFR 3162.3-4-c, " No well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer".

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County call (505) 887-6544 ; for wells in Lea County call (505) 393-3612.
2. A bridge plug or packer shall be set at a maximum of 50 feet above any open perforations or open hole.
3. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
4. The production casing shall be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leak-off.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for 12 months provided that the operator:

1. Submits a subsequent Sundry Notice requesting TA approval,
2. Attaches a clear copy or the original of the pressure test chart,
3. And attaches a detailed justification why the well should not be plugged and abandoned.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.