

UNITED STATES N.M. Oil Cons. DIV-Dist. 2
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210

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 reenter 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 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**1980' FSL and 660' FEL, Unit I
Section 26, T11S-R26E**

APR 11 2006

UCD-ARTESIA

Case Serial No.

NM-105201

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Beacon BDB Federal #1

9. API Well No.

30-005-63605

10. Field and Pool, or Exploratory Area

Wildcat

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 checked="" type="checkbox"/> Other Change Access
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Road Route
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 recomple 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 recompletion 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 wishes to change the access road route to tie into an existing road in the NE/4SE/4 of Section 26, T11S-R26E from the northeast corner of the pad. An agreement has been reached with David Sorenson/Surface Owner to use the existing road for our operations.

SEE ATTACHED PLAT(S).

Thank you.

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

Name (Printed/Typed)

Robert Asher

Title

Regulatory Agent

Signature

Date

September 22, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/S/LARRY D. BRAY

Assistant Field Manager
Lands And Minerals

Date

APR 07 2006

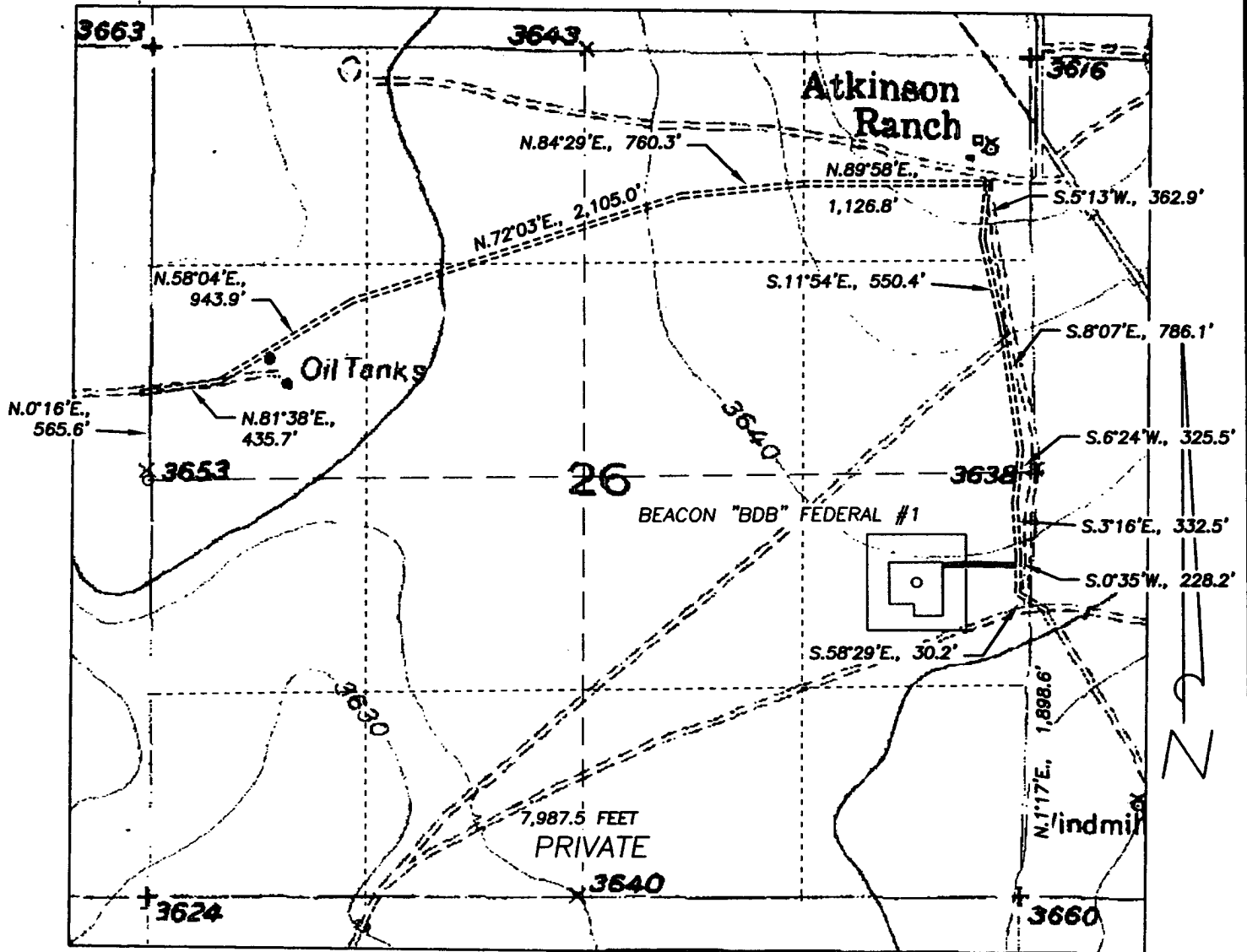
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **ROSWELL FIELD OFFICE**

Title 18 U.S.C. Section 1001, 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 reverse)

SECTION 26, TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



DESCRIPTION:

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE, BEING 15 FEET TO THE LEFT AND RIGHT OF THE FOLLOWING DESCRIBED EXISTING TRAIL ROAD CENTERLINE AS SHOWN IN RED ON THIS PLAT;

BEGINNING AT A POINT LOCATED N.0°16'E., 565.6 FEET DISTANT FROM THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO; THENCE N.81°38'E., 435.7 FEET; THENCE N.58°04'E., 943.9 FEET; THENCE N.72°03'E., 2,105.0 FEET; THENCE N.84°29'E., 760.3 FEET; THENCE N.89°58'E., 1,126.8 FEET; THENCE S.5°13'W., 362.9 FEET; THENCE S.11°54'E., 550.4 FEET; THENCE S.8°07'E., 786.1 FEET; THENCE S.6°24'W., 325.5 FEET; THENCE S.3°16'E., 332.5 FEET; THENCE S.0°35'W., 228.2 FEET; THENCE S.58°29'E., 30.2 FEET TO A POINT LOCATED N.1°17'E., 1,898.6 FEET DISTANT FROM THE SOUTHEAST CORNER OF SAID SECTION 26.

7,987.4 FEET = 484.0909 RODS, MORE OR LESS.

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

NEW MEXICO
JUL 10 2005
NERSCHEL L. JONES, L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES SONAR "BGO" STATE COM. #1 WELL, LOCATED IN SECTION 36, TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 3/22/2005	Sheet 2 of 4 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 3/29/05	Scale 1" = 1000' SONAR 1

EXHIBIT A

New Access Road Route

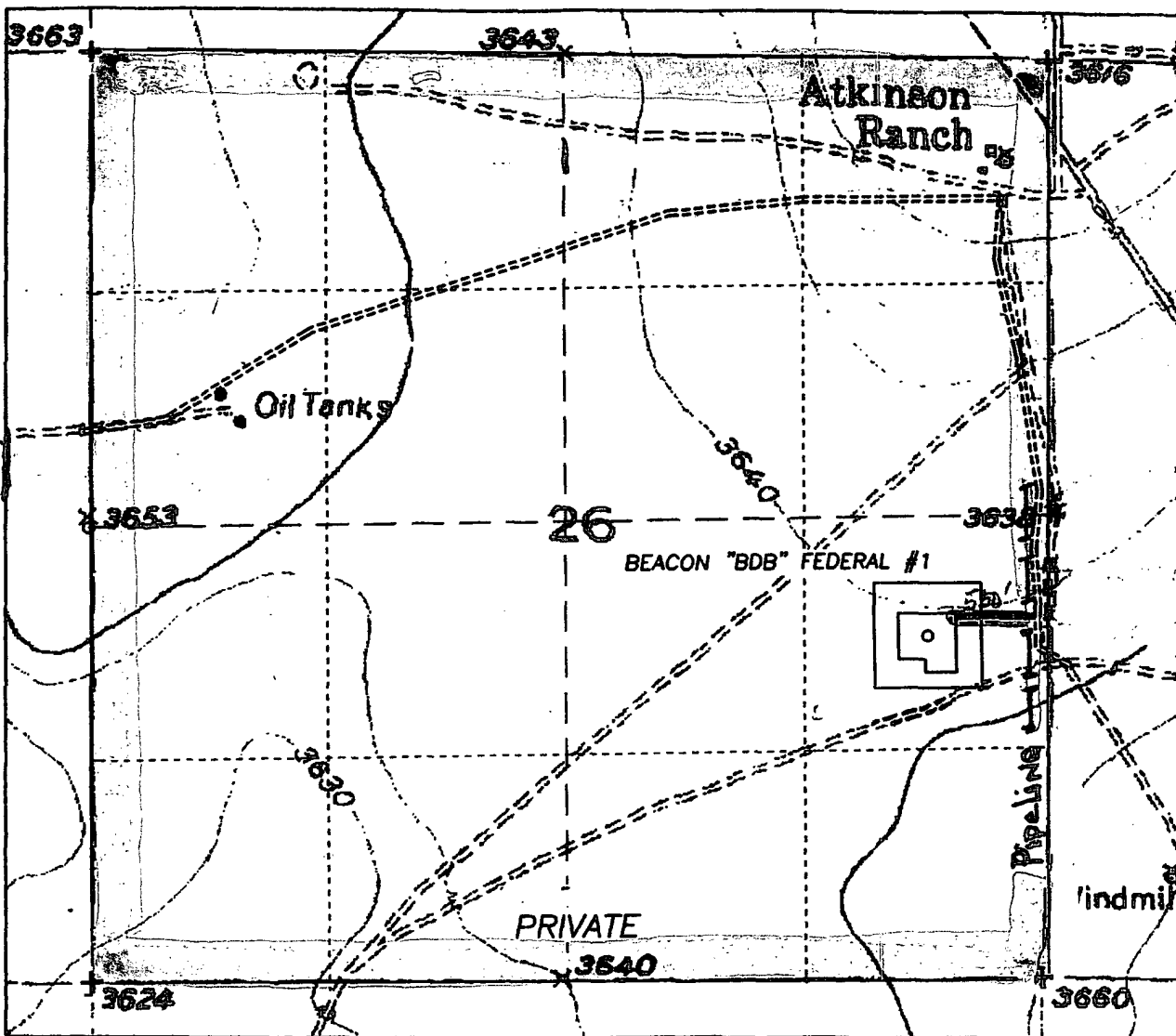
Operator: Yates Petroleum Corporation

BLM Serial Number: NM-105201

Well Name & No.: Beacon "BDB" Federal #1

Location: Section 26, T. 11 S., R. 26 E.

1980' FSL & 660' FEL, Chaves County, N.M.





United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

EXHIBIT B

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PERMANENT RESOURCE ROAD REQUIREMENTS **New Access Road Route**

Operator: Yates Petroleum Corporation
BLM Serial Number: NM-105201
Well Name & No.: Beacon "BDB" Federal #1
Location: Section 26, T. 11 S., R. 26 E.
1980' FSL & 660' FEL, Chaves County, N.M.

The holder agrees to comply with the following requirements:

1. GENERAL REQUIREMENTS:

- A. The **operator** shall hereafter be identified as the **holder** in these requirements. The Authorized Officer is the person who approves the Permanent Resource Road Requirements.
- B. The holder shall minimize any disturbance to structures on public domain surface. Damages caused to any structure during road construction operations shall be promptly repaired by the holder. ~~Functional use of any structure shall be maintained at all times. The holder shall make a documented~~ good-faith effort to contact the owner prior to disturbing any structure.
- C. When necessary to pass through an existing fence line, the fence shall be braced on both sides of the passageway prior to cutting and the fence shall be promptly repaired to at least it's former state or to a higher standard than it was previously constructed.
- D. A professional engineer shall design the access road if the road grade exceeds 10 percent slope.

2. INGRESS AND EGRESS:

The access road shall be constructed to access the well pad on the **Northeast** corner of the well pad to comply with the planned access road route.

3. ROAD TRAVELWAY WIDTH:

The travelway of the road shall be constructed 14 feet wide. The maximum width of surface disturbance shall not exceed 30 feet of road construction. The specified travelway width is 14 feet for all road travelway surfaces unless the Authorized Officer approves a different width.

4. SURFACING:

A. Beginning from the dedicated road (county road and/or state highway) all access roads on federal surface and the entire length of the new access road travelway shall be surfaced prior to drilling operations.

B. **The access road travelway shall be surfaced** with caliche or gravel material. If other surfacing material is used, the new type of material shall be approved by the Authorized Officer. The travelway of the road shall be surfaced with **caliche** material. The caliche material shall be compacted to a minimum thickness of **6** inches for the entire length of the travelway surface on the access road. The width of surfacing shall not be less than 14 feet of travelway surface. Prior to using any mineral materials from an existing federal pit, authorization must first be obtained from the Authorized Officer.

5. CROWNING AND DITCHING:

Crowning with materials on site and ditching on one side of the road, on the uphill side, shall be required. The road cross section shall conform to the cross section diagrams in Figure 1 (attached page 6). Where conditions dictate, ditching shall be required on both sides of the road. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road).

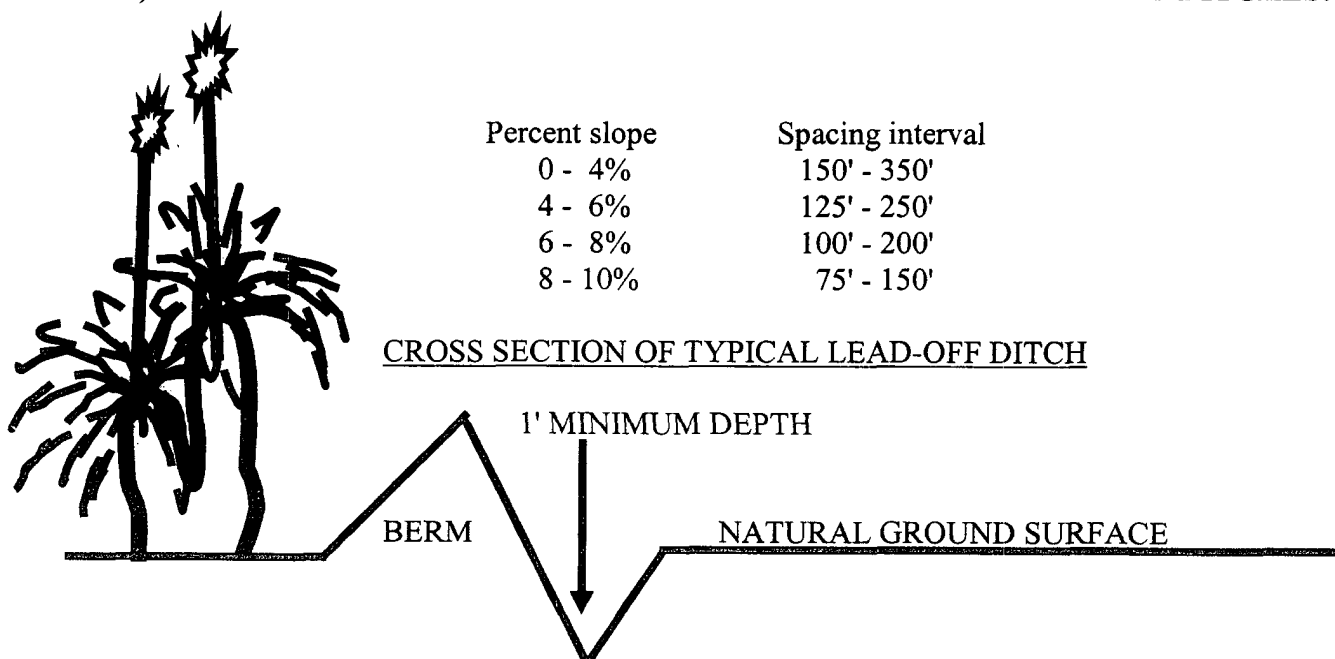
6. DRAINAGE:

A. Drainage control shall be ensured over the entire road through the construction of ditches, sidehill outslowing and insloping, lead-off ditches, culvert installation, and low water crossings.

B. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent **maximum ditch slope**. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

PERCENT SLOPE AND SPACING INTERVALS FOR LEAD-OFF DITCHES:

Percent slope	Spacing interval
0 - 4%	150' - 350'
4 - 6%	125' - 250'
6 - 8%	100' - 200'
8 - 10%	75' - 150'

CROSS SECTION OF TYPICAL LEAD-OFF DITCH

PERMANENT RESOURCE ROAD REQUIREMENTS

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C. A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

D. On road slopes exceeding 2%, water flow shall drain water into an adjacent lead-off ditch. Water flow drainage location and spacing shall be determined by the following formula:

FORMULA FOR SPACING INTERVAL OF LEAD-OFF DITCHES:

$$\text{spacing interval} = \frac{400'}{\text{road slope in \%}} + 100'$$

Ex. 4% slope: spacing interval = $\frac{400}{4} + 100 = 200$ feet

7. CULVERT INSTALLATION: No culverts are required on this road.

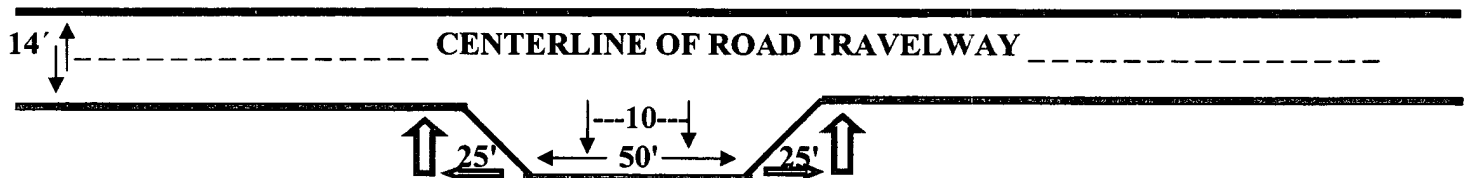
ONE (1) CULVERT SHALL BE INSTALLED AT THE DEEP WATERWAY CHANNEL FLOW CROSSING IN THE XX¼XX¼ OF SECTION - T. S. - R. E. (SEE EXHIBIT A - LOCATION MAP).

Culvert pipes shall be used where ravines, arroyo gullies, and deep waterway channel flows are crossed by the access road construction route. The culvert(s) shall not be less than XX inches in diameter (minimum 18 inch culvert). The location for the culvert installation is designated on the attached map - **EXHIBIT A.** (A culvert pipe installation diagram shall be attached to this requirement when a culvert is required to be installed, see EXHIBIT - X).

8. TURNOUTS:

Vehicle turnouts shall be constructed on all single lane roads (unless the Authorized Officer determines that the turnouts are not required). Turnouts shall be intervisible and shall be constructed on all blind curves with additional turnouts as needed to keep spacing below 1000 feet. Turnouts shall conform to the following diagram:

STANDARD TURNOUT - PLAN VIEW



9. CATTLEGUARDS: NONE REQUIRED

A. ONE (1) CATTLEGUARD SHALL BE INSTALLED AT THE FENCE CROSSING IN THE XX¼XX¼ OF SECTION - T. S. - R. E. (SEE EXHIBIT A - LOCATION MAP).

PERMANENT RESOURCE ROAD REQUIREMENTS

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B. A cattleguard installation diagram shall be attached to this stipulation when a cattleguard is required to be installed - see EXHIBIT X - DIAGRAM A & B).

C. The existing cattleguard(s) on the access road shall be replaced if they are damaged from heavy vehicular traffic use and the Authorized Officer determines that a new cattleguard shall be installed where the existing in place cattleguard(s) have deteriorated beyond practical use. The holder shall be held responsible for the condition of the existing in place cattleguard(s) that are utilized for vehicular traffic use on lease operations by the holder.

D. Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads, (exceeding H-20 loading,) are anticipated. (See BLM standard drawings for cattleguards – Exhibit X – Diagram A & B). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

10. MAINTENANCE:

A. The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, cattleguard maintenance, surfacing, and weed control.

B. The holder shall cooperate with other authorized users in maintenance of the road(s). Failure of the holder to share maintenance costs in dollars, equipment, materials, and manpower proportionate to the holders use with other authorized users may be adequate grounds to terminate the road use. The determination as to whether maintenance expenditures have been withheld by the holder and the ~~decision to terminate the road use shall be at the discretion of the Authorized Officer.~~ Upon request, the Authorized Officer shall be provided with copies of any maintenance agreements entered into by the holder.

11. PUBLIC ACCESS:

A. Public access on this road shall not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public land shall not be locked or closed to public use unless closure is absolutely necessary and is authorized in writing by the Authorized Officer.

12. ROAD REHABILITATION REQUIREMENTS:

A. On private estate land the restoration procedures on the reclamation of the access road shall be accomplished in accordance with the Private Surface Land Owner concurrence. If the surface land owner does not retain the access road for his ranch operations, upon abandonment of this well, the surface material (caliche shall be removed from the access road. The removal of the surface material on the road could be re-used for maintenance of other federal roads within close proximity of the reclaimed area or properly disposed of in a federal mineral material pit.

13. **SEEDING REQUIREMENTS:**

A. The stockpile of topsoil shall be spread over the well pad to cultivate a seed bed. The holder shall not contaminate the topsoil stockpile with the reserve pit muds and/or cuttings.

B. The reclaimed area(s) shall be seeded with the seed mixture that was determined by the Roswell Field Office for the Desired Plant Community on this well site.

C. The same seed mixture shall be used for the reclamation of the access road and well pad.

D. The planting of the seed shall be done in accordance with the following seeding requirements:

1. The topsoil soil shall be plowed under with soil turning equipment and the plowed surface shall be disked before seeding. Seed shall be planted using a drill equipped planter with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds have a tendency to drop to the bottom of the drill and are planted first; the holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled.

2. The holder shall seed all the disturbed areas with the DPC seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed per acre, (Pounds of pure live seed per acre: pounds of seed X percent purity X percent germination = pounds pure live seed). There shall be no primary or secondary noxious weeds in the seed mixture.

In accordance with State law(s) the seed should be tested for purity and viability within nine (9) months prior to sell. Commercial seed shall be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and the certified seed tag shall be made available for inspection by the Authorized Officer.

3. **Desired Plant Community** seed mixture to be planted in pounds of pure live seed per acre:

<u>Loamy SD-3 Ecological Site</u>		
<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Pounds of Pure Live Seed Per Acre</u>
Blue grama, var. Lovington	(<i>Bouteloua gracilis</i>)	4.00 Lbs.
Sideoats grama, Var. Vaughn or El Reno	(<i>Bouteloua curtipendula</i>)	1.00 Lb.
Sand dropseed	(<i>Sporobolus cryptandrus</i>)	0.50 Lb.
Vine mesquite	(<i>Panicum obtusum</i>)	1.00 Lb.
Plains bristlegass	(<i>Setaria vulpesita</i>)	1.00 Lb.
Indian blanketflower	(<i>Gaillardia aristata</i>)	0.50 Lb.
Desert or Scarlet	(<i>Sphaeralcea ambigua</i>)	
Globemallow	or (<i>S. coccinea</i>)	1.00 Lb.
Total Pounds Pure Live Seed Per Acre		9.00 Lbs.

4. If one species is not available, increase ALL others proportionately. The seed mixture shall be certified weed free seed. A minimum of 4 species is required, including 1 forb species.

E. The recommended time to seed is from June 15th through September 15th. The optimum seeding time is in mid-July. Successive seeding should be done either late in the fall (Sept. 15th - Nov. 15th, before freeze up) or early as possible the following spring to take advantage of available ground moisture. However, the holder may seed immediately after completing surface abandonment requirements.

F. The seeding of the disturbed areas shall be repeated until a vegetative thicket is established on the access road and well pad. The Authorized Officer shall make the determination when the regrowth on the disturbed areas is satisfactory.

G. The holder shall be responsible for the establishment of vegetation on the access road and well pad. Evaluation of vegetative growth will not be made before the completion of the first growing season after seeding. The Authorized Officer reserves the right to require reseeding at a specific time if seed does not germinate after one growing season. Waiver of this requirement would be considered if diligent attempts to revegetate the disturbed areas have failed and the Authorized Officer determines that further attempts to replant the access road and well pad are futile.

H. Contact Mr. Randy Legler at (505) 627-0215 to witness the seeding operations, two (2) days prior to seeding the disturbed areas.

I. Invasive and Noxious Weeds Requirement:

1. The holder shall be held responsible if noxious weeds become established within the reclaimed areas. Evaluation of the growth of noxious weeds shall be made upon discovery. Weed control will be required on the disturbed land where noxious weeds exist, which includes the road, pad, associated pipeline corridor/routes, and adjacent land affected by the establishment of weeds due to this action. The holder is responsible for consultation with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policy.

2. The holder shall insure that the equipment and or vehicles that will be used to reclaim the access roads and well pad are not polluted with invasive and noxious weed seed. Transporting of invasive and noxious weed seed could occur if the equipment and vehicles were previously used in noxious weed infested areas. In order to prevent the spread of noxious weeds, the Authorized Officer shall require that the equipment and vehicles be cleaned with either high pressure water or air prior to reclamation of the access roads and well pad.

14. **SPECIAL REQUIREMENT(S):**

A. Precautionary measures shall be taken by the holder during construction of the access road to protect the existing gas pipeline(s) that parallel the access road (**See map - EXHIBIT B**). The holder shall be held responsible for any damage to the existing gas pipelines. If the gas pipelines are ruptured and/or damaged the holder shall immediately cease construction operations and repair the pipeline(s). The holder shall be held liable for any unsafe construction operations that threaten human life and/or cause the destruction of equipment.

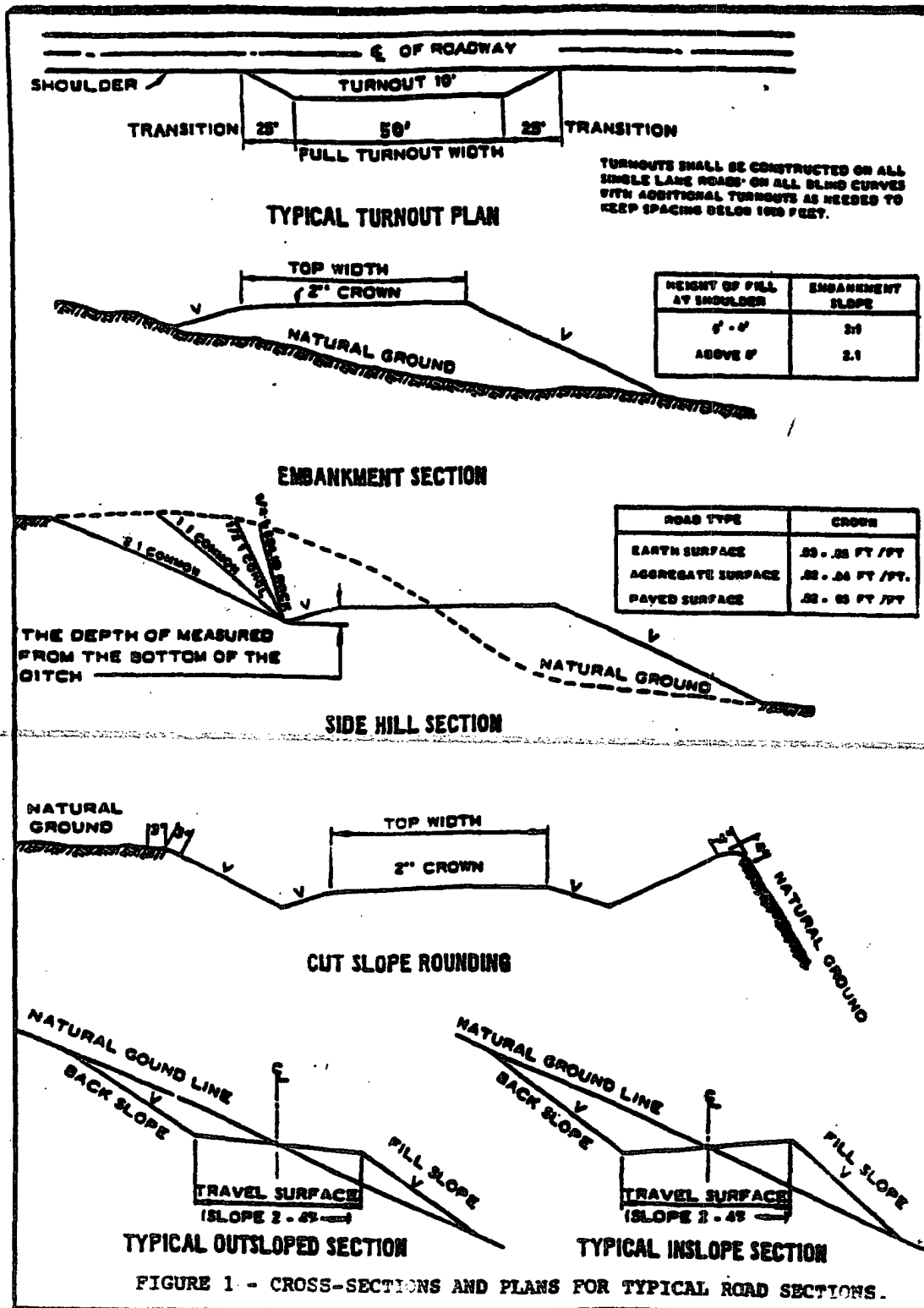


EXHIBIT A

New Access Road Route

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Operator: Yates Petroleum Corporation

BLM Serial Number: NM-105201

Well Name & No.: Beacon "BDB" Federal #1

Location: Section 26, T. 11 S., R. 26 E.

1980' FSL & 660' FEL, Chaves County, N.M.

