

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA  
**S**

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  
abandoned well. Use Form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side</b>		5. Lease Serial No. <b>NM-113930</b>
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Yates Petroleum Corporation</b>		7. If Unit or CA/Agreement, Name and/or No.
3a. Address <b>105 South Fourth Street, Artesia, NM 88210</b>	3b. Phone No. (include area code) <b>(505) 748-1471</b>	8. Well Name and No. <b>Retriever BJH Federal #1 (Re-Entry)</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1650' FNL and 1650' FWL, Unit F (SENW) Section 22, T26S-R25E</b>		9. API Well No. <b>30-015-20869</b>
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State <b>Eddy County, New Mexico</b>

**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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other Changes to Surface Use and Operations Plan

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 recomplete 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 make the following changes/additions to the previously submitted APD dated 11/08/2006. Additional plat of proposed access (Exhibit "A-2" attached).  
A cut brine water system will be used.  
Change the location layout with the pits to the east and reduced to 120' x 120'-access road to the southwest corner. (corrected Exhibit C attached)

Changes Shaded  
Thank you.

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

Name (Printed/Typed) <b>Debbie L. Caffall</b>	Title <b>Regulatory Agent</b>
Signature <i>Debbie L. Caffall</i>	Date <b>March 12, 2007</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by <b>/s/ James Stovall</b>	Title <b>FIELD MANAGER</b>	Date <b>MAR 20 2007</b>
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.		
<b>CARLSBAD FIELD OFFICE</b>		

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)

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**Retriever BJH Federal #1 (Re-entry)**  
1650' FNL and 1650' FWL  
Section 22-T26S-R25E  
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 15 miles south southeast of Whites City, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south from Whites City on US. 62-180 for 10 miles to a cattleguard with a pipe gate in the east right of way fence. Follow old lease road east for 5.1 miles to location.

2. PLANNED ACCESS ROAD:

- A. A lease road right of way 30 feet wide and 27,537.1 feet in length, being 15 feet to the left and right of an existing lease road located in sections 13, 14 and 24, T26S-R24E and sections 19, 20, 21, and 22, T26S-R25E as shown in red on plat. (Attached Exhibit "A-2")
- B. The road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is no drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a ~~cut brine~~ water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. ~~Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.~~
- B. The reserve pits will be plastic lined.
- C. A previously 400' X 400' area will be used.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Bureau of Land Management  
Carlsbad Field Office  
Carlsbad, New Mexico

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

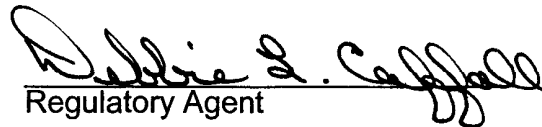
13. OPERATOR'S REPRESENTATIVE:

- A. Through A.P.D. Approval:  
Debbie L. Caffall, Permit Agent  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471
- B. Through Drilling, Completions & Prod.  
Pinson McWhorter, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

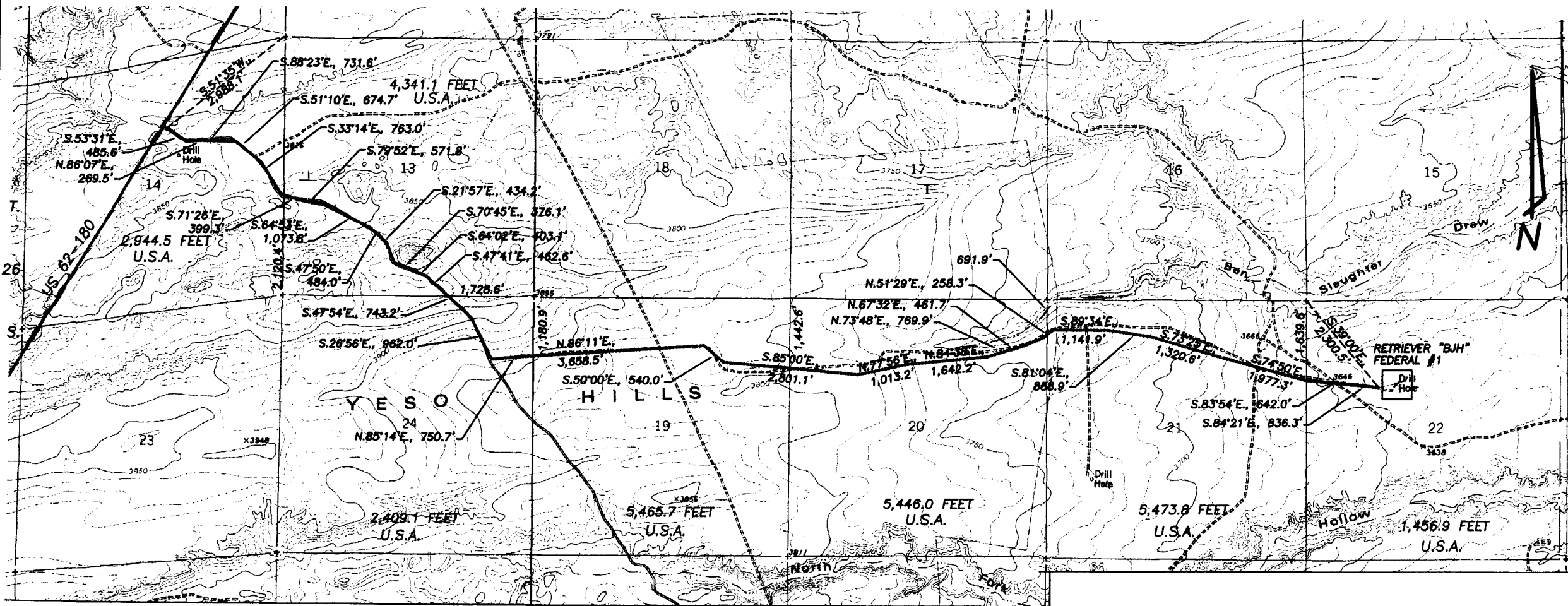
3/12/2007

  
Regulatory Agent

Corrected 3/12/2007

R. 24 E.

R. 25 E.,



**DESCRIPTION:**

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE AND 27,537.1 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF AN EXISTING LEASE ROAD LOCATED IN SECTIONS 13, 14 AND 24, TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY, NEW MEXICO AND SECTIONS 19, 20, 21, AND 22, TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM, EDDY COUNTY, NEW MEXICO AS SHOWN IN RED ON THIS PLAT.

SECTION 14, T. 26 S., R. 24 E:	2,944.5 FEET = 178.4545 RODS, 0.5577 MILES OR 2.0279 Ac.
SECTION 13, T. 26 S., R. 24 E:	4,341.1 FEET = 263.0970 RODS, 0.8222 MILES OR 2.9897 Ac.
SECTION 24, T. 26 S., R. 24 E:	2,409.1 FEET = 146.0061 RODS, 0.4563 MILES OR 1.6592 Ac.
SECTION 19, T. 26 S., R. 25 E:	5,465.7 FEET = 331.2545 RODS, 1.0352 MILES OR 3.7643 Ac.
SECTION 20, T. 26 S., R. 25 E:	5,446.0 FEET = 330.0806 RODS, 1.0314 MILES OR 3.7507 Ac.
SECTION 21, T. 26 S., R. 25 E:	5,473.8 FEET = 331.7455 RODS, 1.0367 MILES OR 3.7698 Ac.
SECTION 22, T. 26 S., R. 25 E:	1,456.9 FEET = 88.2970 RODS, 0.2759 MILES OR 1.0034 Ac.
<b>TOTAL:</b>	<b>27,537.1 FEET = 1668.9152 RODS, 5.2154 MILES OR 18.9650 Ac., MORE OR LESS.</b>

**Yates Petroleum Corporation**  
 Retriever BJH Federal #1 (Re-entry)  
 1650' FNL and 1650' FWL, Unit F  
 (SENW) of Section 22, T26S-R25E  
 Eddy County, New Mexico  
 Exhibit "A-2"

Scale: 1" = 2,000'

**YATES PETROLEUM CORP.**

PLAT SHOWING EXISTING LEASE ROAD TO BE USED AS ACCESS FOR THE YATES PETROLEUM CORPORATION RETRIEVER "BJH" FEDERAL #1 WELL LOCATED IN SECTION 22, TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

GENERAL SURVEYING COMPANY

LOVINGTON NEW MEXICO

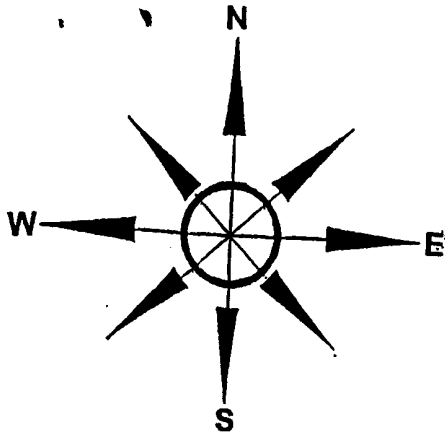
Surveyed By GSC Drawn By ED Date 3/03/2007 Project Number:

DE	INTERSTATE HIGHWAY	R	PROPERTY LINE	CROSSINGS - THIS SHEET:	MAJOR	DATE	REVISION:	BY	CHK	ENGR	APP.
DE	FEDERAL HIGHWAY	E	POWER LINE	PIPELINES	LATERALS						
DE	STATE HIGHWAY	T	TELEPHONE LINE	PAVED ROADS	TOTAL						
DE	COUNTY HIGHWAY	X	FENCE	NON-PAVED ROADS							
DE	TRACT NUMBER	C	UNDERGROUND CABLE	OVERHEAD ELEC.							
DE	UNIMPROVED DIRT ROAD	-//	PIPELINE	BURIED CABLES							
				OTHER							

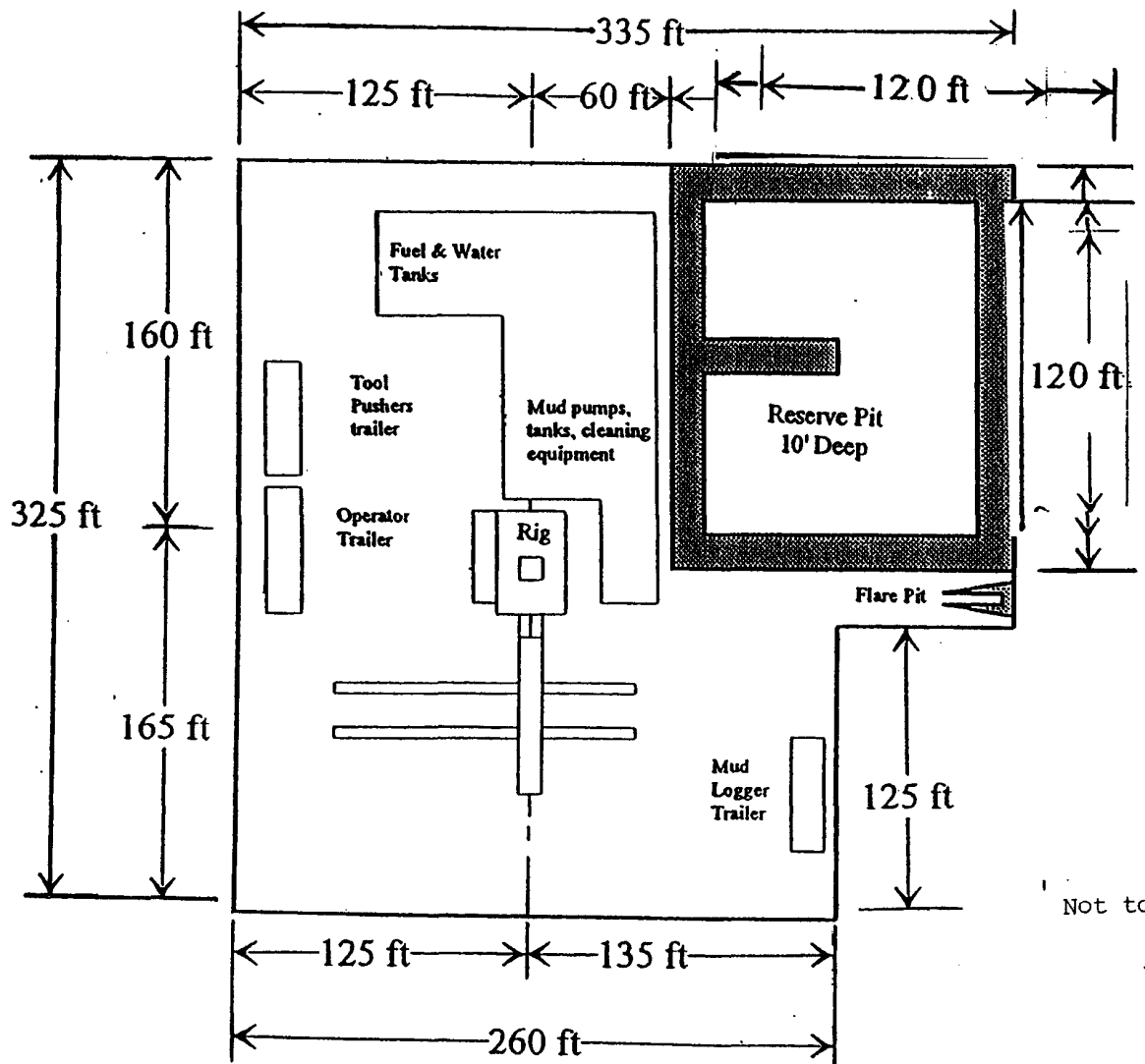


# Yates Petroleum Corporation

Location Layout for Permian Basin  
Up to 12,000'



Pits to the EAST



Not to Scale

## Access Road to the SOUTHWEST

Yates Petroleum Corporation  
Retriever BJH Federal #1 (Re-entry)  
1650' FNL and 1650' FWL, Unit F  
(SENE) of Section 22, T26S-R25E  
Eddy County, New Mexico  
Exhibit "C" -corrected

3/12/2007

Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum

Pits 120' x 120'  
Reduced Pits from 175' x 150'