

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCD-ARTESIA

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

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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

RECEIVED

| | | |
|---|---|--|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | NOV 18 2009 | 5 Lease Serial No NM-88136 |
| 2 Name of Operator Yates Petroleum Corporation | NMOCD ARTESIA | 6 If Indian, Allottee or Tribe Name |
| 3a Address 105 South Fourth Street, Artesia, NM 88210 | 3b Phone No (include area code) (505) 748-1471 | 7. If Unit or CA/Agreement, Name and/o |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL and 2310' FWL Surface Hole Location 330' FNL and 1980' FWL Bottom Hole Location Section 13, T24S-R29E | | 8 Well Name and No Corral Draw AQH Federal #3H |
| | | 9 API Well No 30 015 37306 |
| | | 10 Field and Pool, or Exploratory Area Pierce Crossing Bone Spring East |
| | | Eddy County |

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 Amend |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Surface Use |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | 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 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.)

Yates Petroleum Corporation wishes to amend the Surface Use Plan for the captioned with a change to the Visual Resource Stipulation, Surface Mitigation #3. Please remove this stipulation from our approved APD. In the past we have received changes removing this stipulation from Yates' Corral Draw AQH Federal well applications in this area because BLM Staff Specialists felt using standard sized tanks here not adversely distract from the viewscape. Yates' Production Dept recommends the use of standard size tanks on this well pad because these wells produce large amounts of production. It is suggested using 500 bbl tanks instead of 250 bbl tanks. This well pad will need two 500 bbl tanks for produced water and four 500's to hold oil production. A standard 500 bbl tank is 16'x16' the standard 250' bbl tank is 16'x8' therefore it will take twice as many 250's too hold the production. If this variance request is denied we anticipate the necessity to increase the size of this well location to allow for room for the production operations of this well.

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

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|----------------------------------|--------------------------------|
| Name (Printed/Typed) Cy Cowan | Title Land Regulatory Agent |
| Signature | Date November 10, 2009 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|---|---------------------------------|---------------------|
| Approved by IS/JD | Title FIELD MANAGER | Date NOV 16 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 CARLSBAD 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)

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