

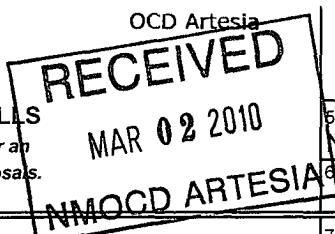
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY 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.



5. Lease Serial No.
NM043625
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other PA		7. If Unit or CA/Agreement, Name and/or No. NMNM82527
2. Name of Operator Yates Petroleum Corporation		8. Well Name and No. Saguaro AGS Federal Com #1
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 575-748-1471	9. API Well No. 30-015-26206
4. Location of Well (Footage, Sec, T, R, M, OR Survey Description) 1980 FSL & 660 FWL (Unit L, SESE) Sec 11-T20S-R24E		10. Field and Pool or Exploratory Area Dagger Draw/Upper Penn
		11. County or Parish, State Eddy

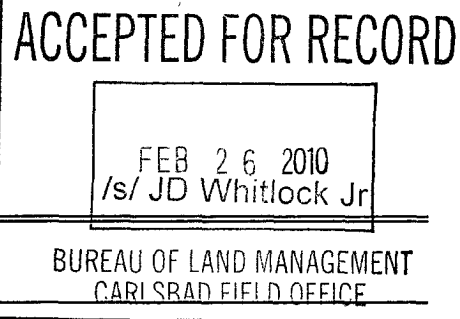
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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
	<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 checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 0 of water per day from the Dagger Draw/Upper Penn. The water will be stored in 1- 500 Fbgl tank and will be pipeline to the Mimosa Fed. SWD #4 located at Sec 4-20S-24E Order # SWD-474, or to the Mimosa Fed. SWD #3Y located at Sec 4-20S-24 Order # 645 or to the Mimosa Federal SWD #1 located at Sec 4-20S-24E Order # SWD-408, or to the Monsanto Foster SWD #1 located at 5-20S-25E Order # R-5158-B or to the King SWD #1 located at 9-20S-25E.

SUBJECT TO LIKE APPROVAL BY STATE Accepted for record
NMOC D RS
3/18/10



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Mayte Reyes		Title Production Clerk
Signature <i>Mayte Reyes</i>		Date February 19, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and wilfully 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.