

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2006 DEC 11 AM 11:55

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.	NM-25830
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	Axem Federal #1
9. API Well No.	30-045-26468
10. Field and Pool, or Exploratory Area	Kimbeto Wash Gallup
11. County or Parish, State	San Juan Co., NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Yates Drilling Company	
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-8666
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 442' FSL & 344' FWL Section 18-23N-8W	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 <u>Site Security Diagram</u>
	<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	

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 recomplate 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.)

Please find attached the site Security Diagram.
Please stamp and return one copy of the diagram for our files.

ACCEPTED FOR RECORD

DEC 12 2006

FARMINGTON FIELD OFFICE
BY

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Hilda F. Moreno		Title Operations Tech
Signature <u>Hilda F. Moreno</u>		Date 11/6/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

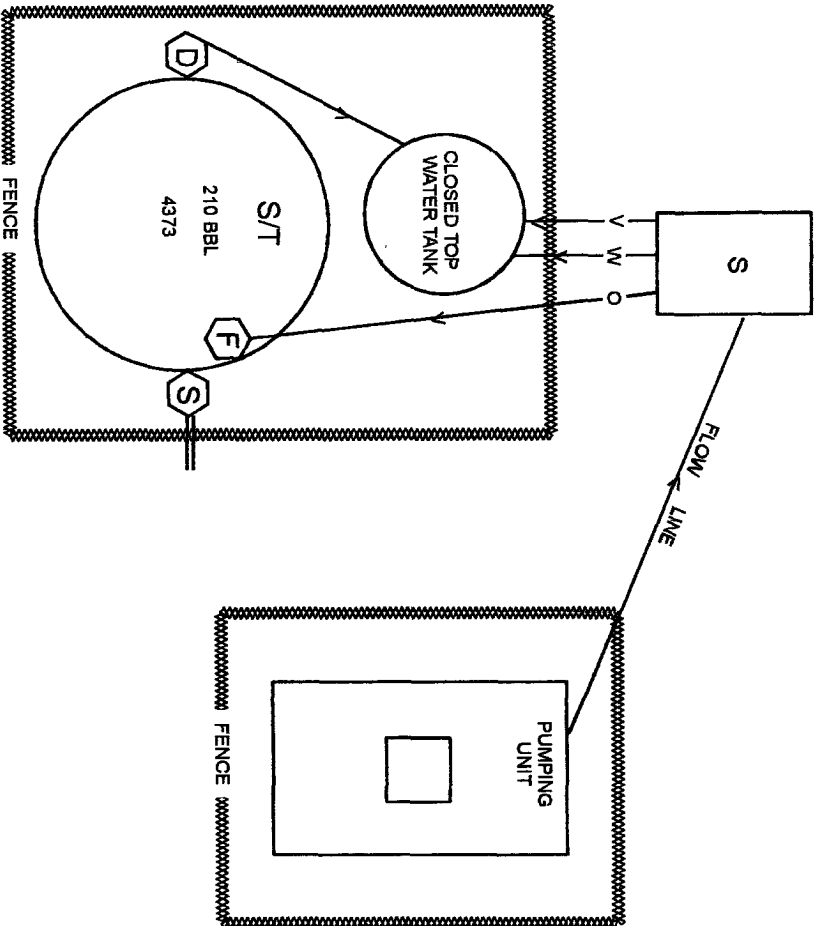
Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

NMOCD



#1 Axem Federal
 NM-25830
 30-045-26468
 Section 18-23N-8W
 San Juan Co., NM



Production phase. All drain valves and all sales valves sealed closed.

Sales phase. The drain valve and fill valve are sealed closed.

Draining phase. When the stock tank is being drained the sales valve and the fill valve will be sealed closed.