Form 3 160-5 (August 1999)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED OMB No. 1004-0135 Expires Inovember 30, 2000

5. Lease Serial No.

NM-103594

If Indian, Allottee or Tribe Name

## Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/o SUBMIT IN TRIPLICATE – Other instructions on reverse side **SECEIAE** Type of Well 8. Well Name and No. Oil Well X Gas Well Other Name of Operator Koonunga Hill BGX Federal #1 OCU-ARTERM 9. API Well No. Yates Petroleum Corporation Address Phone No. (include area code) 30-015-34380 (505) 748-1471 10. Field and Pool, or Exploratory Area 105 South Fourth Street, Artesia, NM 88210 Location of Well (Footage, Sec., T., R., M., or Survey Description) Undesignated McIver Ranch Morro Surface: 1.838' FNL & 1,072' FWL. 11. County or Parish, State BHL: 990' FNL & 660' FWL, Eddy County, New Mexico Section 19, T22S-R25E 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair Recomplete New Construction Other Change Plans Plug and Abandon Temporarily Abandon Water Disposal Final Abandonment Notice Convert to Injection Plug Back Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. It 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 respectfully requests permission to drill a 12 1/4" intermediate hole to approximately 2,700'. If lost returns are encountered, 9 5/8" intermediate casing will be set and cemented to surface using a dv tool and packer. If lost circulation is not encountered, hole size will be reduced to 8 3/4" without setting 9 5/8" casing. APPROVED Thank-you, LES BABYAK I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Drilling Engineer Asst. Jeremiah Mullen Signature Date December 2, 2005 THIS SPACE FOR FEDERAL OR STATE USE Approved by Date Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or Office 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.

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

falses firtitious or fraudulent statements or representations as to any matter within its jurisdiction.