

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation 25575

3a. Address **105 South Fourth Street, Artesia, NM 88210**
3b. Phone No (include area code) **(505) 748-1471**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2310' FSL and 2310' FWL
Section 13, T24S-R29E**

JUL 26 2007

5. Lease Serial No.
NM-88136
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/o
8. Well Name and No.
Corral Draw AQH Federal #6 20474
9. API Well No.
30-015-35057
10. Field and Pool, or Exploratory Area
Pierce Crossing, Bone Spring, East 96473
11. County or Parish, State
Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NOTICE OF INTENT, 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 checked="" 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>Extend</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>APD</u>
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomple 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 recomple 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 extend the captioned well's APD expiration date for two (2) years to July 28, 2009. (C-144 attached)

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Bone Spring formation to meet the OCD's minimum requirements for the submission of a contingency plan per rule 118.

Thank you.

**APPROVED FOR 24 MONTH PERIOD
ENDING 7-28-09**

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

Name (Printed/Typed)

Cy Cowan

Email: cy@ypcnm.com

Title: Regulatory Agent / Land Department

Signature

Date

June 28, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Don Peterson

FOR

Title **FIELD MANAGER**

Date

JUL 24 2007

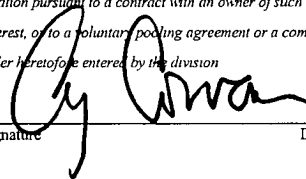
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

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) **Previously Approved**

16				<div data-bbox="1123 984 1479 1016">17 OPERATOR CERTIFICATION</div> <div data-bbox="1065 1016 1515 1218"><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i></div>
				<div data-bbox="1094 1148 1399 1327"></div> <div data-bbox="1399 1228 1456 1251">6/28/07</div> <div data-bbox="1065 1266 1136 1291">Signature</div> <div data-bbox="1385 1266 1429 1291">Date</div> <div data-bbox="1065 1320 1166 1360">Cy Cowan Printed Name</div> <div data-bbox="1065 1390 1195 1430"><u>Regulatory Agent</u> Title</div>
	<div data-bbox="293 1484 381 1518">2310'</div> <div data-bbox="337 1652 469 1686">NM-88136</div>			<div data-bbox="1065 1470 1515 1711">18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i></div>
	<div data-bbox="534 1711 570 1795">2310'</div>			<div data-bbox="1065 1696 1385 1795">Date of Survey Signature and Seal of Professional Surveyor REFER TO ORIGINAL PLAT</div> <div data-bbox="1065 1908 1203 1934">Certificate Number</div>

DISTRICT I
1636 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Branco Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Bone Spring
Property Code	Property Name CORRAL DRAW "AQH" FEDERAL	Well Number 6
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3080

Surface Location

UL or lot No. K	Section 13	Township 24S	Range 29E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	<p align="center">N.32°12'59.7" W.103°56'21.0" N.442752.5 E.663238.5 (NAD-83)</p>	OPERATOR CERTIFICATION
		<p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p align="center"><i>Cy Cowan</i></p> <p>Signature _____</p> <p align="center">Cy Cowan</p> <p>Printed Name _____</p> <p align="center">Regulatory Agent</p> <p>Title _____</p> <p align="center">June 13, 2006</p> <p>Date _____</p>
		SURVEYOR CERTIFICATION
		<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p align="center">3/17/2006</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p align="center">HERSCHEL L. JONES NEW MEXICO 3640</p> <p>Certification No. Herschel L. Jones RLS 3640</p> <p align="center">CORRAL DRAW GENERAL SURVEYING COMPANY</p>

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: YATES PETROLEUM CORPORATION
Well Name & No. 6- CORRAL DRAW AQH FEDERAL
Location: 2310' FSL & 2310' FWL - SEC 13 - T24S - R29E - EDDY
Lease: NM-88136

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I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220. (505) 361-2822
- B. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

II. CASING:

- A. The 13-3/8 inch surface casing shall be set at 500 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is circulate cement to the surface. If cement does not circulate see A.1 thru 4.
- C. The minimum required fill of cement behind the 5-1/2 inch production casing is tie back 200 feet into the 8-5/8 inch casing.
- D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A.** All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Chapt. 17.
- B.** The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - 5. A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi with the rig pumps is approved.

LBabyak 7/20/07