

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

**RECEIVED**  
FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010  
**JAN 26 2010**  
**NMOCD ARTESIA**

**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  
NM-9194

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No (include area code)

575-748-1471

4. Location of Well (Footage, Sec., T, R., M., OR Survey Description)

660' FSL, 660' FWL Sec 34-T22S-R23E (SWSW)

7 If Unit or CA/Agreement, Name and/or No

8. Well Name and No

Sacahuiste KE Federal #2

9 API Well No

30-015-29432

10. Field and Pool or Exploratory Area

Indian Basin Yeso, South

11 County or Parish, State

Eddy County, New Mexico

**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 vent/flame
	<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 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 must 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 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 respectfully request permission to vent/flame approx 50+- mcfpd for 6 months. The closest p/l is estimated to be 4 miles north of location. Avg. oil per day is 15-20 bbls +-.

This is an inactive well that we have recently worked over. We would like to evaluate this well for 6 months before making any further economic decisions.

As per conversation 12-21-09 with Duncan Whitlock (BLM) 30 day initial production vent approved.

**SUBJECT TO LIKE  
APPROVAL BY STATE**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Michelle Taylor Title Regulatory Compliance Mgr

Signature *Michelle Taylor* Date December 22, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *D. L. Winkler* Title Office 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.

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.

(Instructions on page 2)

**APPROVED**  
**JAN 22 2010**  
**/s/ Dustin Winkler**  
**BUREAU OF LAND MANAGEMENT**  
**CARLSBAD FIELD OFFICE**

Yates Petroleum Corporation  
NM-9194: Sacahuiste KE Federal #2  
API: 30-015-29432  
Eddy County, New Mexico

RE: Notice of Intent to Flare – Conditions of Approval

1. Report all volumes on MMS OGOR reports.
2. Comply with NTL-4A requirements.
3. Subject to like approval from NMOCD.
4. Flared volumes will still require payment of royalties.
5. Install gas meter on flare line to measure gas prior to venting/flaring operations, if it is not equipped as such at this time.

Approval is for a **maximum** of 6 months.

Notice of intent to change disposition of gas to sales or to plug and abandon the well should be in the BLM office no later than July 10, 2010.

DHW 012210