

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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)

505-748-1471

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

1,980' FNL & 1,530' FWL SECTION 18-T19S-R25E UNIT F

5. Lease Serial No.

NM-1372

6. If Indian, Allottee or Tribe Name

N/A

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

NM 111025 X

8. Well Name and No.

NDDUP UNIT #10

9. API Well No.

30-015-27342

10. Field and Pool, or Exploratory Area

DAGGER DRAW UPPER PENN. N

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 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>TA STATUS</u>
	<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 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 shall 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 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 extend the temporary abandonment status of the NDDUP Unit #10 well. This well is in the North Dagger Draw Upper Penn Unit, which was approved in 2005 for the purpose of waterflooding the unitized Canyon formation. Water injection started on September 15, 2005 in a limited area of the unit identified as the Phase 1A area. This was intended as a demonstration of the effectiveness of the waterflood, to be followed by waterflood expansion into the Phase 1B and Phase 2 areas. The NDDUP Unit #10 well is in the Phase 1B area, in a corner of the unit next to the boundary, and would be directly offset by a water injection well according to the original waterflood development plan. Producing the well would be required to prevent movement of fluid across the unit boundary, and waterflooding in the northwest corner of the unit would not be possible without it.

The Phase 1B expansion of the waterflood is currently on hold while the performance of the Phase 1A area is being actively evaluated and modifications to the original development plan are being considered. The estimated date of production will depend on approval of the expansion by the unit working interest owners and by regulatory authorities.

NOTE: Mechanical Integrity Test was conducted on 12/20/02

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

Name (Printed/Typed)

Elaina Davis

Title

Regulatory Compliance Tech.

Signature

Elaina Davis

Date

December 7, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

APPROVED FOR 15 MONTH PERIOD
ENDING 12/31/07

Date

APPROVED

JAN 11 2007

LES BABYAK
PETROLEUM ENGINEER