

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 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 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)

1672' FSL and 1144' FEL

Section 27, T 21 S- R 24 E

5. Lease Serial No.

NM-101080

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Liberty BEL Federal #1

9. API Well No.

30-015-33870

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn Associated

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 Extend APD
	<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 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 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 wishes to extend the captioned well's APD for one (1) year to December 30, 2007.

H2S Contingency Plan attached

Directional Drilling Plan attached

Previously Approved

C-144 Attached

Thank you.

APPROVED FOR 12 MONTH PERIOD
ENDING DEC 30 2007

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

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent

Signature

Date

November 30, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

FOR

/s/

Tony J. Herrell

Title

FIELD MANAGER

Date

DEC 11 2006

/s/ James A. Amos

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)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number	² Pool Code	³ Pool Name Indian Basin Upper Penn Assoc.
⁴ Property Code	⁵ Property Name Liberty BEL Federal	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 4002'

¹⁰ Surface Location

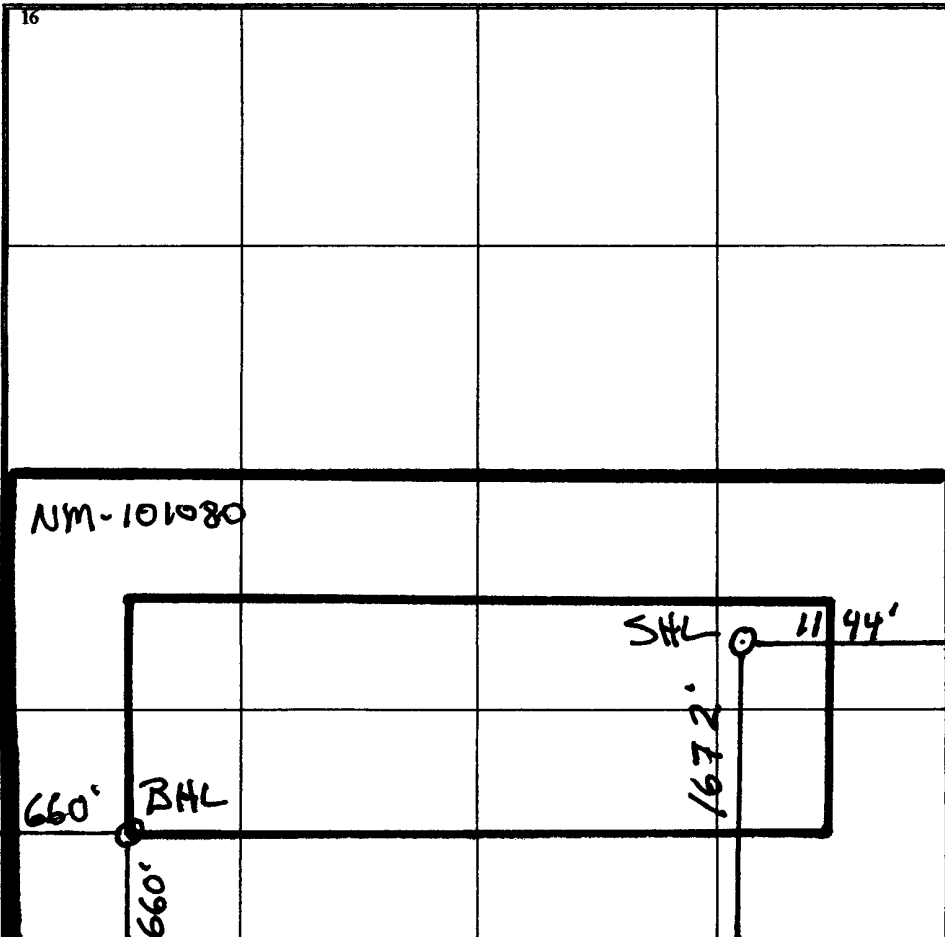
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	27	21S	24E		1672'	South	1144'	East	Eddy

¹¹ 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
M	26	21S	24E		660'	South	660'	West	Eddy

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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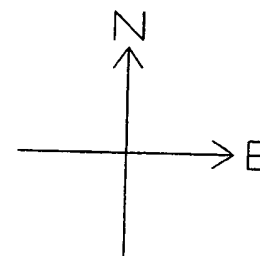
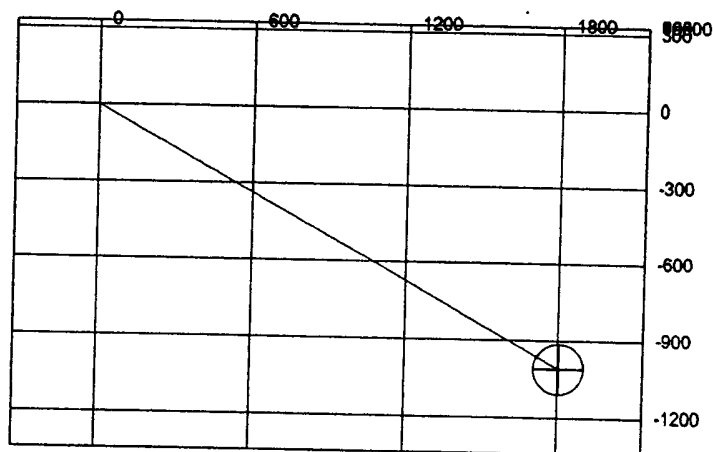
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	<p>¹⁷ OPERATOR CERTIFICATION 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.</p> <p><i>Cy Cowan</i> 11/15/06 Signature Date</p> <p>Cy Cowan Printed Name</p> <p>Regulatory Agent</p>
	<p>¹⁸ SURVEYOR CERTIFICATION 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.</p> <p>REFER TO ORIGINAL PLAT. Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

	M.D. [ft]	Inclination [°]	Azimuth [°]	T.V.D. [ft]	N+/S- [ft]	E+/W- [ft]	D.L.S. [°/100ft]	ToolFace [°]	T.F. Ref. [HS/GN]
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2	2500.00	0.00	0.00	2500.00	0.00	0.00	1.50	119	GN
3	2624.67	1.87	119.29	2624.65	-1.00	1.77	1.50	360	HS
4	2952.76	6.79	119.29	2951.70	-13.11	23.37	1.50	0	HS
5	3280.84	11.71	119.29	3275.41	-38.91	69.36	1.50	0	HS
6	3608.92	16.63	119.29	3593.41	-78.20	139.40	1.50	0	HS
7	3937.01	21.56	119.29	3903.35	-130.70	232.98	1.50	360	HS
8	4265.09	26.48	119.29	4202.94	-196.00	349.40	1.50	360	HS
9	4593.18	31.40	119.29	4489.98	-273.64	487.80	1.50	360	HS
10	4921.26	36.32	119.29	4762.34	-363.05	647.17	1.50	0	HS
11	4969.47	37.04	119.29	4801.00	-377.14	672.29	1.50	360	HS
12	5843.94	37.04	119.29	5499.00	-634.86	1131.71	0.00		
13	5905.51	36.12	119.29	5548.44	-652.82	1163.72	1.50	180	HS
14	6233.60	31.20	119.29	5821.44	-741.75	1322.25	1.50	180	HS
15	6561.68	26.28	119.29	6109.03	-818.90	1459.78	1.50	180	HS
16	6889.76	21.35	119.29	6409.09	-883.70	1575.28	1.50	180	HS
17	7217.85	16.43	119.29	6719.40	-935.66	1667.91	1.50	180	HS
18	7545.93	11.51	119.29	7037.68	-974.40	1736.98	1.50	180	HS
19	7874.02	6.59	119.29	7361.57	-999.65	1781.98	1.50	180	HS
20	8202.10	1.67	119.29	7688.71	-1011.21	1802.59	1.50	180	HS
21	8313.41	0.04	116.34	7800.00	-1012.00	1804.00	0.00		
22	10913.41	0.00	0.00	10400.00	-1012.00	1804.00	0.00		

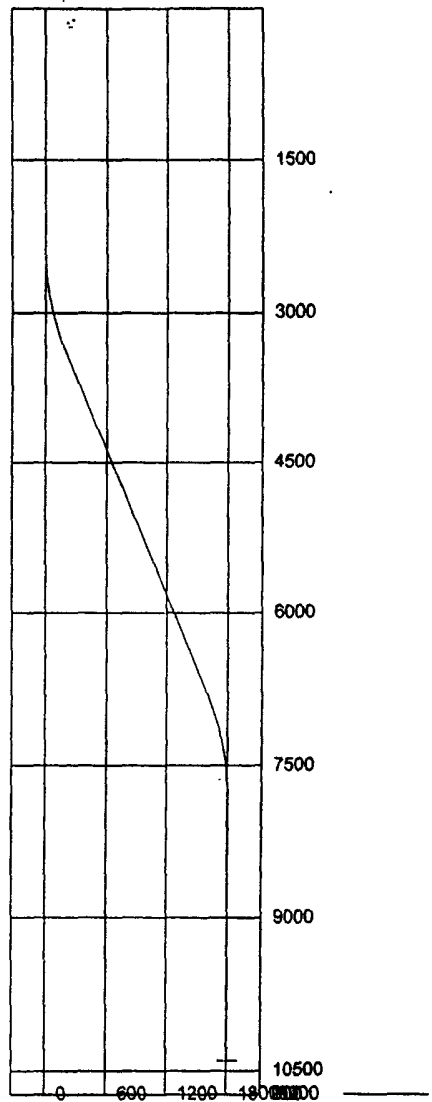
Company: Yates Petroleum Corporation
Well: Liberty BEL Federal #1

3D^s Directional Drilling Planner - 3D View



3D^s Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Liberty BEL Federal #1



WF

Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Liberty BEL Federal #1

1672' FSL, 1144' FEL Surface Location

Section-27, T-21S, R-24E

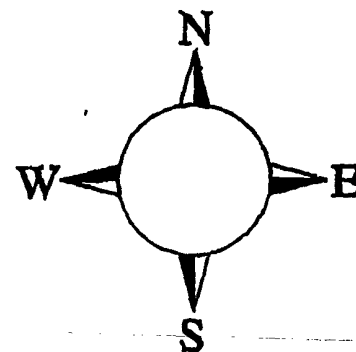
660' FSL and 660' FWL Bottom Hole Location

Section 26, T21S-R24E

Eddy County NM

Liberty BEL Federal #1 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Emergency Procedures

In the case of a release of gas containing H_2S , the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S , measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office (505) 748-1471
 Pinson McWhorter/Operations Manager (505) 748-4189
 Darrel Atkins/Production Manager (505) 748-4204
 Ron Beasley/Prod Superintendent (505) 748-4210
 AJ Springer/Drilling (505) 748-4225
 Paul Hanes/Prod. Foreman/Roswell (505) 624-2805
 Jim Krogman/Drilling Superintendent (505) 748-4215
 Artesia Answering Service (505) 748-4302
 (During non-office hours)

Agency Call List**Eddy County (505)****Artesia**

State Police 746-2703
 City Police 746-2703
 Sheriff's Office 746-9888
 Ambulance 911
 Fire Department 746-2701
 LEPC (Local Emergency Planning Committee) 746-2122
 NMOCD 748-1283

Carlsbad

State Police 885-3137
 City Police 885-2111
 Sheriff's Office 887-7551
 Ambulance 911
 Fire Department 885-2111
 LEPC (Local Emergency Planning Committee) 887-3798
 US Bureau of Land Management 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505) 476-9600
 24 HR (505) 827-9126
 New Mexico State Emergency Operations Center (505) 476-9635
 National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
 Cudd Pressure Control (915) 699-0139 or (915) 563-3356
 Halliburton (505) 746-2757
 B. J. Services (505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX (806) 743-9911
 Aerocare -Rr 3 Box 49f, Lubbock, TX (806) 747-8923
 Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuquerque, NM (505) 842-4433
 S B Air Med Svc 2505 Clark Carr Loop SE, Albuquerque, NM (505) 842-4949

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

RECEIVED

FEB 10 2005

GOVERNMENT

Operator: Yates Petroleum Corporation Telephone: (505) 748-4372 e-mail address: debbiec@ypcnm.com
Address: 105 South 4th Street, Artesia, NM 88210
Facility or well name: Liberty BEL Federal #1 API #: 30-015-33870 U/L or Qtr/Qtr 1 Sec 27 T 21S R 24E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner - Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12 mil</u> Clay <input type="checkbox"/> Volume _____ bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <input checked="" type="checkbox"/> 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <input checked="" type="checkbox"/> No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <input checked="" type="checkbox"/> 1000 feet or more (0 points)
Ranking Score (Total Points) <input type="checkbox"/> 0 Points	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: February 9, 2005

Printed Name/Title Cy Cowan/Regulatory Agent

Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved

Date: FEB 10 2005

Printed Name/Title [Signature]

Signature [Signature]