

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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)
(575) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**660' FNL and 1980' FWL, Unit C
 Section 6, T24S-R31E**

5. Lease Serial No.
NM-82904

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

8. Well Name and No.
Adeline ALN Federal #4

9. API Well No.
30-015-35523

10. Field and Pool, or Exploratory Area
Sand Dunes; Delaware, 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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other <u>Extend</u>
	<u>APD</u>

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 recomplate 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 recomplate 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 ~~two (2)~~ ¹ years to March 26, 20⁰⁹. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Delaware formation to meet the OCD's requirements for the submission of a contingency plan per Rule 118.

Thank you. **SEE ATTACHED FOR CONDITIONS OF APPROVAL**

**APPROVED FOR 12 MONTH PERIOD
 ENDING 3-26-09**

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

Name (Printed/Typed) Cy Cowan	Title Regulatory Agent/Land Department	Email cy@ypcnm.com
Signature 	Date February 29, 2008	

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Joe Don Peterson	Title FIELD MANAGER	Date APR 09 2008
Office CARLSBAD FIELD OFFICE		

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, 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.

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

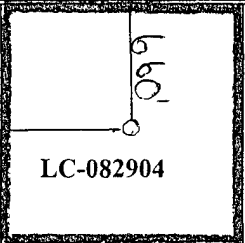
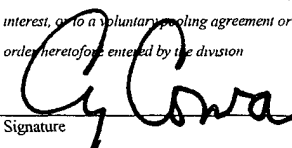
¹ API Number 30-015-33940		² Pool Code		³ Pool Name San Dunes; Delaware, South	
⁴ Property Code		⁵ Property Name Adeline ALN Federal			⁶ Well Number 4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3401'

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
C	6	24S	31E		660	North	1980	West	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

¹² Dedicated Acres 40 NENW	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 	¹⁷ OPERATOR CERTIFICATION <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>	
		
	Date 2/26/08 Signature _____ Date _____ Cy Cowan Regulatory Agent Printed Name	
	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>	
Date of Survey _____ Signature and Seal of Professional Surveyor _____		REFER TO ORIGINAL PLAT
Certificate Number _____		

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Benitos Rd., Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

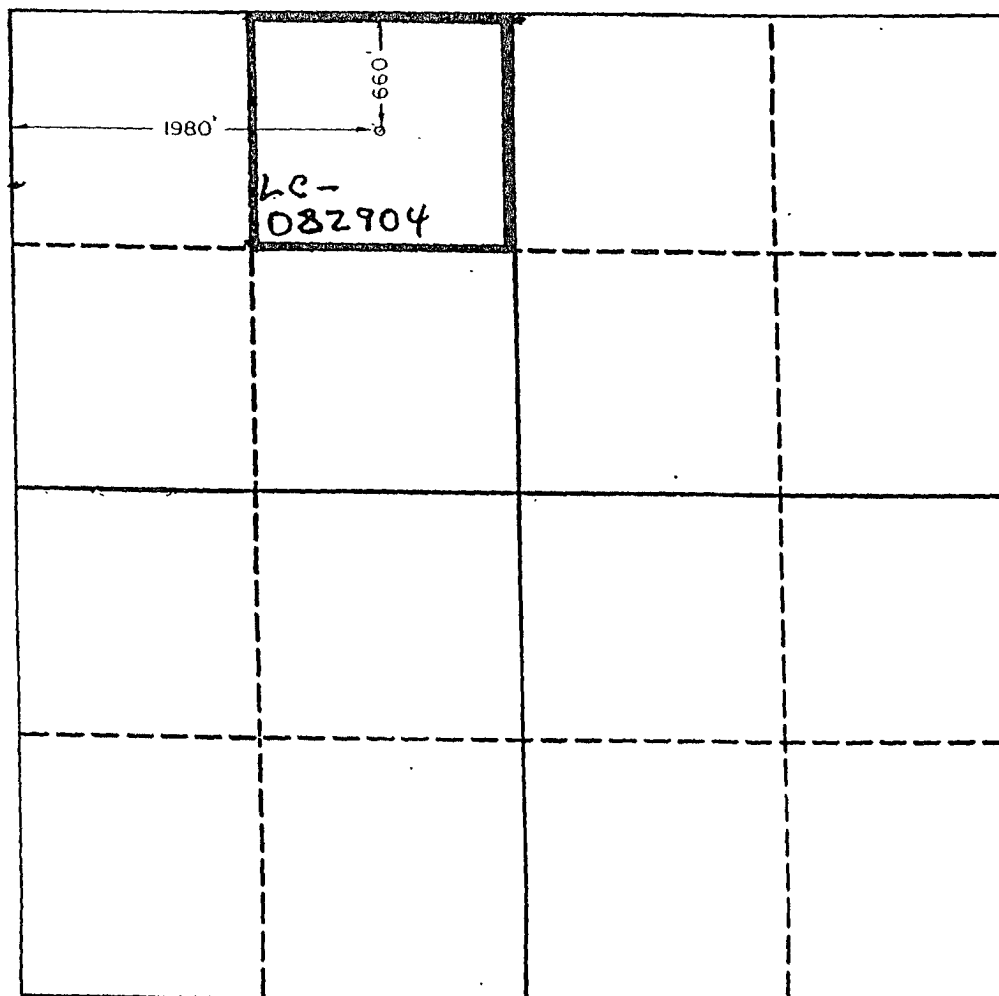
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease ADELINE "ALN" FEDERAL		Well No. 4
Unit Letter C	Section 6	Township 24 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line					
Ground level Elev. 3401	Producing Formation Delaware		Pool Wildcat Delaware	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Cy Cowan*

Printed Name: Cy Cowan

Position: Permit Agent

Company: Yates Petroleum Corporation

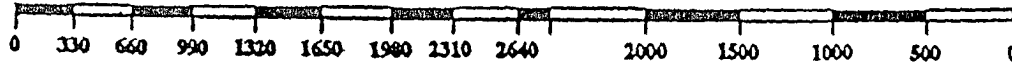
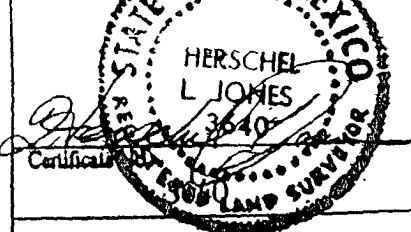
Date: October 31, 2001

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 7/23/92

Signature & Seal of Professional Surveyor



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State of New Mexico
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 x No
Type of action: Registration of a pit or below-grade tank x Closure of a pit or below-grade tank

Operator: Yates Petroleum Corporation Telephone: (505) 748-1471 e-mail address: cy@ypcnm.com
Address: 105 South Fourth Street, Artesia, NM 88210
Facility or well name: Adeline ALN Federal #4 API #: 30-015-33940 U/L or Q/L or Q/L or C Sec 6 T 24S R 31E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 1983 Surface Owner Federal State Private Indian

Pit	Below-grade tank						
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume _____ bbl	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.)	<table border="1"> <tr><td>Less than 50 feet</td><td>(20 points)</td></tr> <tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr> <tr><td>100 feet or more</td><td><input checked="" type="checkbox"/> (0 points)</td></tr> </table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	<input checked="" type="checkbox"/> (0 points)
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	<input checked="" type="checkbox"/> (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.)	<table border="1"> <tr><td>Yes</td><td>(20 points)</td></tr> <tr><td>No</td><td><input checked="" type="checkbox"/> (0 points)</td></tr> </table>	Yes	(20 points)	No	<input checked="" type="checkbox"/> (0 points)		
Yes	(20 points)						
No	<input checked="" type="checkbox"/> (0 points)						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"> <tr><td>Less than 200 feet</td><td>(20 points)</td></tr> <tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr> <tr><td>1000 feet or more</td><td><input checked="" type="checkbox"/> (0 points)</td></tr> </table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	<input checked="" type="checkbox"/> (0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	<input checked="" type="checkbox"/> (0 points)						
Ranking Score (Total Points)							
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: January 12, 2006

Printed Name/Title Cy Cowan, Regulatory Agent/Land Department Signature Cy Cowan

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 MAR 16 2006

Date: _____ Printed Name/Title _____ Signature [Signature]

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corp.
LEASE NO.:	NM82904
WELL NAME & NO.:	Adeline ALN Federal #4
SURFACE HOLE FOOTAGE:	660' FNL & 1980' FWL
LOCATION:	Section 6, T24S., R31E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. 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.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
4. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be legible and no faster than manufactures of the logging tools recommended speed. (R-111-P area only)

B. CASING

Note: All casing shall meet or exceed API standards for new casing. Onshore Order 2.III.B.1.a (Any casing substitutions must have prior approval)

Centralizers required on surface casing as per Onshore Order 2.III.B.1.f

Fresh water mud to be used to setting depth of surface casing.

Possible lost circulation in the Delaware and Bone Springs.

Possible water flows in the Salado, Castile, Delaware, and Bone Springs.

1. The **13 3/8 inch** surface casing shall be set a minimum of **25 feet into the Rustler Anhydrite and above the salt at approximately 825 feet** and cemented to the surface. **If salt is penetrated surface casing shall be set 25 feet above the salt.**
 - a. 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 surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - c. **Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**
 - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - e. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **8-5/8 inch intermediate** casing is:
 - Cement to surface. If cement does not circulate see B.1.a-e above.
 - a. **Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**
3. The minimum required fill of cement behind the **5-1/2 inch production** casing is:
 - a. **First stage to DV tool, cement shall:**
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job.

B. CASING

Note: All casing shall meet or exceed API standards for new casing. Onshore Order 2.III.B.1.a (Any casing substitutions must have prior approval)

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 - Cement to surface. If cement does not circulate see B.1.a-e above.
 - a. **Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**
3. The minimum required fill of cement behind the **5-1/2 inch production** casing is:
 - a. **First stage to DV tool, cement shall:**
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job.

b. **Second stage above DV tool, cement shall:**

Cement to surface. If cement does not circulate, contact the appropriate BLM office.

4. 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 joints of the drill pipe will be installed prior to continuing drilling operations.
5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. PRESSURE CONTROL

1. 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 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. 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.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

JDW/3/27/08

WMA 4/7/08