Form 3160-5 (Februa 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137

Expires March 31, 2007

OCD-ARTESPES Serial No BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS NM-102208 JAN 21 2009 Do not use this form for proposals to drill or reenter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. Not Applicable 7. If Unit or CA/Agreement, Name and/o SUBMIT IN TRIPLICATE - Other instructions on page 2. Not Applicable Type of Well Well Name and No X Oil Well Gas Well Other (re-entry) Name of Operator Milton BMF Federal Com #1H Yates Petroleum Corporation 025575 9. API Well No. 30·015·36 Address Phone No. (include area code) 105 South Fourth Street, Artesia, NM 88210 (575) 748-1471 Location of Well (Footage, Sec., T., R., M, or Survey Description) Wildcat Wolfcamp 4590' FNL & 100' FEL, Lot 16, Sec.4, T16S-R29E Surface Location 11 County or Parish, State 4240' FNL & 330' FWL, Lot 13, Sec 4,T16S-R29E Bottom Hole Location Eddy County, New Mexico 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Water Shut-Off Acıdıze Deepen Production (Start/Resume) Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete X Other Change of Change Plans Surface Use Plan Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 Corporation requests permission to change from the use of a Reserve Pit to a Closed Loop System. ACCEPTED FOR RECORD Thank you. JAN 21 2009 Gerry Guye, Deputy Field Increator 1-MOCD-District II ARTES I hereby certify that the foregoing is true and correct Title Regulatory Agent / Land Department Date nature January 8, 2009

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 Salses fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

THIS SPACE FOR FEDERAL OR STATE USE

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ons of approval, if any, are attached. Approval of this notice does not warrant or

that the applicant holds legal or equitable title to those rights in the subject lease

which would entitle the applicant to conduct operations thereon

Approve

Milton BMF Federal Com #1H 4590' FNL & 100' FEL, Surface Hole 4240' FNL & 330' FWL, Bottom Hole Section 4, T165-R29E Eddy County, New Mexico

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