

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 12 2009

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0135
Expires March 31, 2007

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)

575-748-1471

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

2180'FNL & 660'FWL of Section 6-T26S-R27E (Unit E, SWNW)

5 Lease Serial No

NM-97127

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

Punch BJD Federal #1

9 API Well No

30-015-22471

10 Field and Pool, or Exploratory Area

Cottonwood Draw; Delaware

11 County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOXES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Request to
maintain shut-in oil
well status

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.)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

This is a follow up of the 60-day letter.

Yates Petroleum Corporation requests that this well will be allowed to maintain its shut-in oil well status until pipelines are in place.

We have applied for ROWs for buried water and gas pipelines from the Blast BLA Federal #1 to the Leonardo BKL Federal Com #1, for buried water and gas pipelines from the Punch BJD Federal #1 to be tied into the Blast-Leonardo water and gas pipelines and for a waterline from the Leonardo BKL Federal Com #1 to the Padron BGM State #1. When those pipelines are in place we will be able to send the Punch BJD Federal #1 water to be disposed into the Cigarillo SWD #1, and the gas will go into Agaves pipeline system.

We are still awaiting approvals for the above mentioned ROWs. When we receive approvals we will order the material. When we get all the material in, we will start ditching and laying the pipelines. We are also still waiting for Xcel to install electricity at our disposal well.

It is difficult to set an exact time frame on this project, as we are relying on outside deliverers. We do plan to work with diligence and get the work done in a timely manner. We hope to have it all in place by the end of 2009.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date April 30, 2009

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 YAM

Office

APPROVED

MAY 7 2009

WESLEY W. WILSON
PETROLEUM ENGINEER

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.

**Punch BJD Federal 1
30-015-22471
Yates Petroleum Corporation
May 7, 2009
Conditions of Approval**

- 1. Operator is to provide a monthly e-mail update on the status of this project.
(wesley_ingram@nm.blm.gov)**
- 2. Work to be complete by 12/15/2009.**
- 3. Operator to submit subsequent sundry when work is complete detailing work and including date when production has resumed.**
- 4. Well will be re-evaluated for production in paying quantities within three months and six months after being placed back on production. Operator to provide production amounts and operating costs for these periods with evaluation as to whether the well is producing in paying quantities.**

WWI 050709