

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

AM

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.

MAY 12 2009

NM-105213

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (re-entry)		5. Lease Serial No. NM-105213
2. Name of Operator Yates Petroleum Corporation 025575		6. If Indian, Allottee or Tribe Name Not Applicable
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (575) 748-1471	7. If Unit or CA/Agreement, Name and/o Not Applicable
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FNL and 990' FWL, Unit L Section 12, T24S-R29E		8. Well Name and No. Jester BFJ Federal #3
		9. API Well No. 30-015-35285
		10. Field and Pool, or Exploratory Area Pierce Crossing, Bone Spring East
		11. County or Parish, State 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			
<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 Change of Surface Use Plan
	<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 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 must 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 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. Attached is the Location for a Closed Loop Design Plan and Piping from Choke Manifold to the Closed Loop Drilling Mud System.

Engineering review - OK
RGH 4/29/09

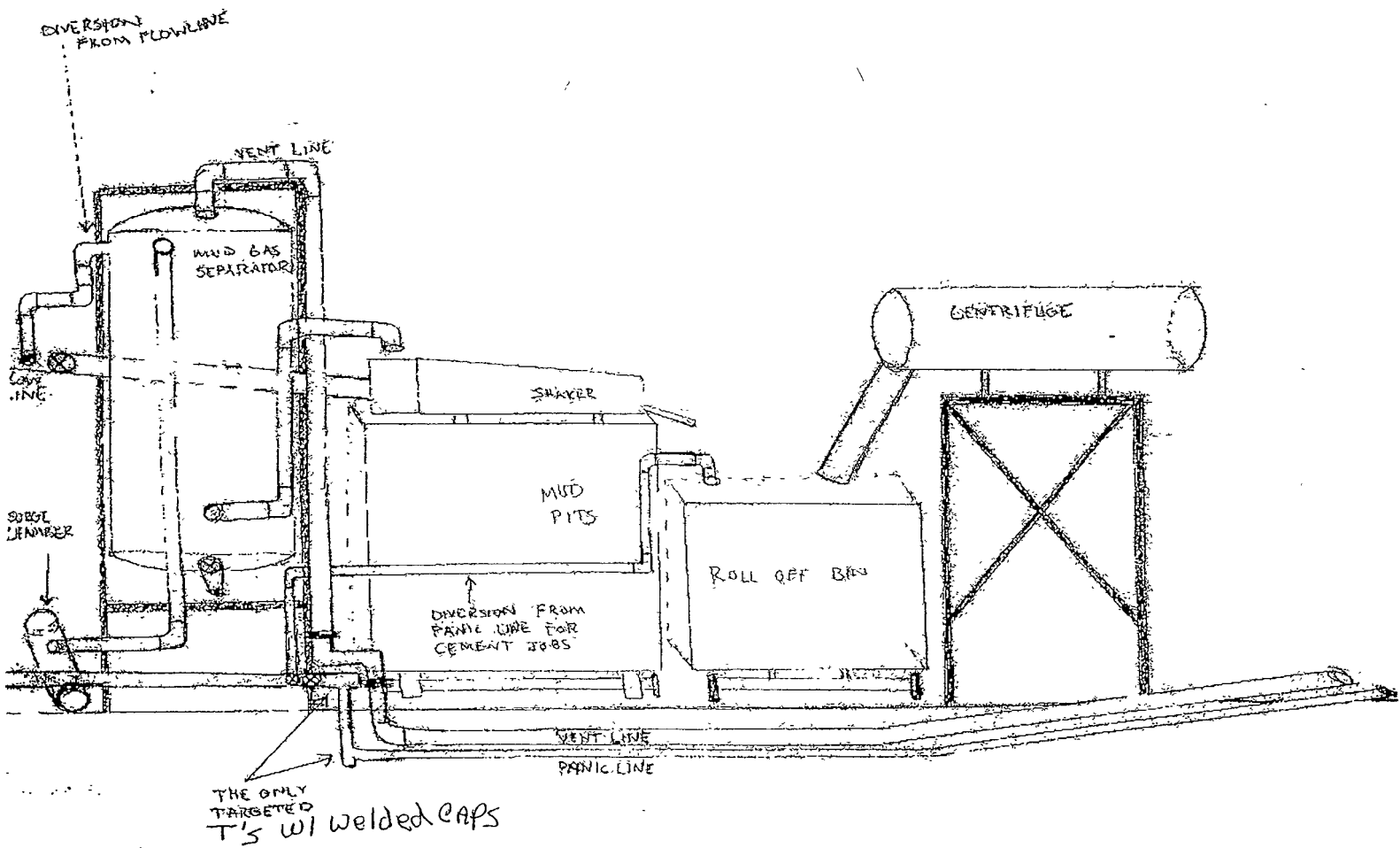
Thank you.

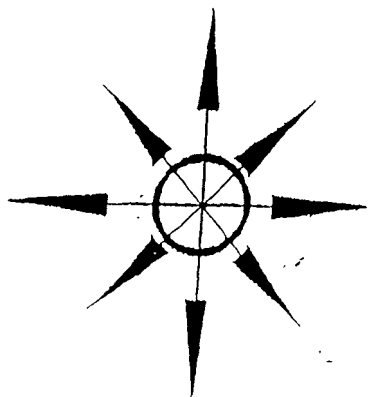
14. I hereby certify that the foregoing is true and correct		
Name (Printed/Typed) Cy Cowan	Title Land Regulatory Agent	
Signature 	Date April 17, 2009	
THIS SPACE FOR FEDERAL OR STATE USE		
Approved by Is/ Don Peterson	Title CARLSBAD FIELD OFFICE	Date MAY 08 2009
Conditions of approval, if any, are 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.		

(Instructions on reverse)

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YATES PETROLEUM CORPORATION
Piping from Choke Manifold
to the Closed-Loop Drilling Mud System





Yates Petroleum Corporation

Location Layout for Permian Basin

Closed Loop Design Plan

