

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NM-96205

6. If Indian, Allottee or Tribe Name

NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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)

Surface - 660'FSL & 660'FEL of Section 33-T13S-R27E (Unit P, SESE)

BHL - 660'FNL & 778'FEL of Section 33-T13S-R27E (Unit A, NENE)

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

NMNM114028

8. Well Name and No.

Frisbee BIF Federal Com #1

9. API Well No.

30-005-63810

10. Field and Pool or Exploratory Area

Greenfield; Wolfcamp, South

11. County or Parish, State

Chaves County, New Mexico

12. CHECK APPROPRIATE BOX(ES) 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 Correctiveaction to Noticeof Violation Letter

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.

12/8/10 Picked up contaminated soil and took to land farm. Cleaned location.

NOTE: Was not a casing leak - it was a packing leak

ACCEPTED FOR RECORD

RECEIVED

FEB 22 2011

NMOCD ARTESIA

FEB 10 2011

NAME [Signature]
NATURAL RESOURCE
SPECIALIST14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

[Signature]

Date

January 25, 2011

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

Date

Office

Accepted for record
NMOCD [Signature]

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

(Instructions on page 2)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.blm.gov/nm/st/en.html

PAUL H.



JAN 12 2011

In Reply Refer To:
Case/Lease Number: NMNM-96205
3160(NMP0130)
Order No. 04-029-11W

RECEIVED

JAN 14 2011

YPC
MAIL ROOM

CERTIFIED MAIL--RETURN RECEIPT REQUESTED
7006 3450 0001 4285 6126

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

JAN 18 2011

NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER

INSPECTION DEPARTMENT
RECEIVED

Gentlemen:

An inspection was performed on Federal Lease NMNM-96205, Frisbee BIF Federal Com #1, API No.: 30-005-63810, 660 FSL & 660 FEL, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 33, T. 13S., R. 27E., Chaves County, New Mexico. It was found that the location has not been maintained in a manner designed to protect the mineral resources, other natural resources, and environmental quality (43 CFR 3162.5).

ORDERS OF THE AUTHORIZED OFFICER

Pursuant to Federal Regulation 43 CFR 3162.5-1(b) which states "The operator shall exercise due care and diligence to assure that leasehold operations do not result in undue damage to surface or subsurface resources or surface improvements..." the following environmental compliance problems were identified during the latest inspection of the subject location. Specifically:

• Environmental Problem No. 1: WELL CASING IS LEAKING PRODUCED WATER

Corrective Action: The well casing needs to be repaired and all stained soil on the location shall be excavated and disposed of at an authorized disposal facility. Excavated areas shall be backfilled with clean earthen material and re-contoured to mirror the contours of the surrounding terrain.

Keep all reclamation work within the archaeological survey area of record for the Frisbee BIF Federal Com #1 location. The survey of record documents a 600' X 600' survey area with the

well bore at the center of the surveyed area. The stub/pad access road has a 100' wide surveyed corridor.

Report your compliance with this Written Order on a Subsequent Sundry Notice on Form 3160-5 (Sundry Notice and Reports on Wells) stating the above problems have been corrected and are ready for inspection, an original and 5 copies are required.

In accordance with 43 CFR 3163.1(a), please comply with the corrective action(s) for the identified environmental problems no later than **February 28, 2011** after receipt of this Written Order. If you fail to comply within the time frames specified, you will be subject to further enforcement action as may be deemed necessary.

WARNING

Orders of the Authorized Officer or Incidents of Non Compliance and reporting time frames begin upon receipt of the Notice or 7 business days after the date it is mailed, whichever is earlier. Each problem or violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above.

For Incidents of Non Compliance, please note that you already may have been assessed for noncompliance (see amount under "Assessed for Noncompliance"). If you do not comply as noted above under "Corrective Action to Be Completed By," you may incur additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.


Note: Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting an order of the authorized office or violation must request a State Director Review of the Order or Incident of Noncompliance. This request must be filed within 20 working days of receipt of the Order or Incident of Noncompliance with the appropriate State Director at PO Box 27115, Santa Fe, NM 87502-0115 (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, MS 300-QC, Arlington, Virginia 22203 (see 43CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

If you have any questions concerning our Written Orders for the Frisbee BIF Federal Com #1 location, please contact Jared Reese, Natural Resource Specialist at the Roswell Field Office at 575-627-0249.

Sincerely,


Angel Mayes
Assistant Field Manager,
Lands and Minerals

Enclosures
1- Archaeological Survey Limits (1p)

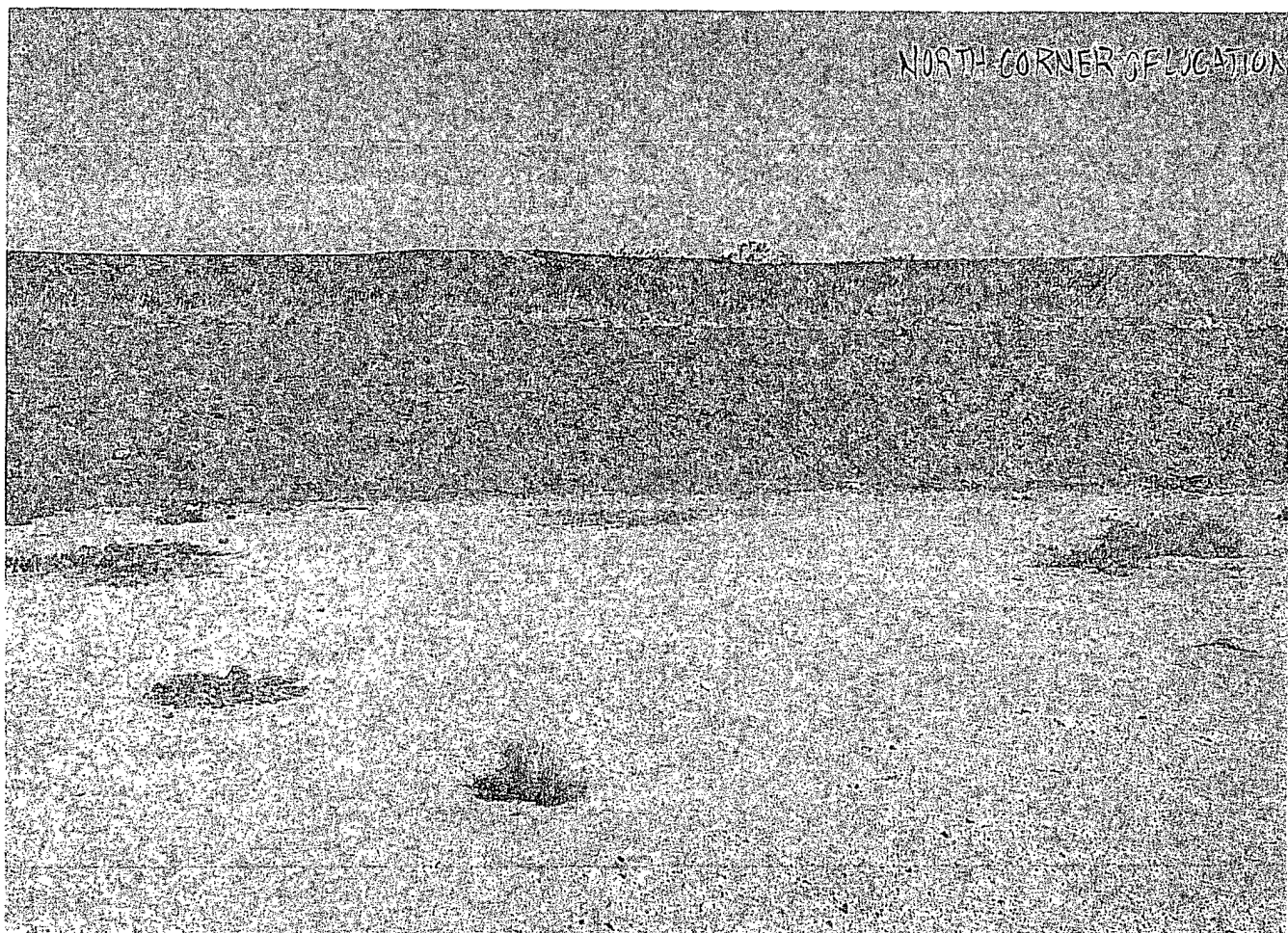
Enclosure 1

Archaeological Survey Limits

For your information the archaeological survey of record for the Frisbee BIF Federal Com #1 location documents a 600' X 600' survey area with the well bore at the center of the surveyed area. The stub/pad access road has a 100' wide surveyed corridor. If the previously surveyed area is not large enough to provide a remediation and reclamation work area an additional archaeological survey to current BLM standards of the additional work surface needed is required and must be approved by BLM in writing before surface disturbance occurs.

WELL SIGN - LOCATION



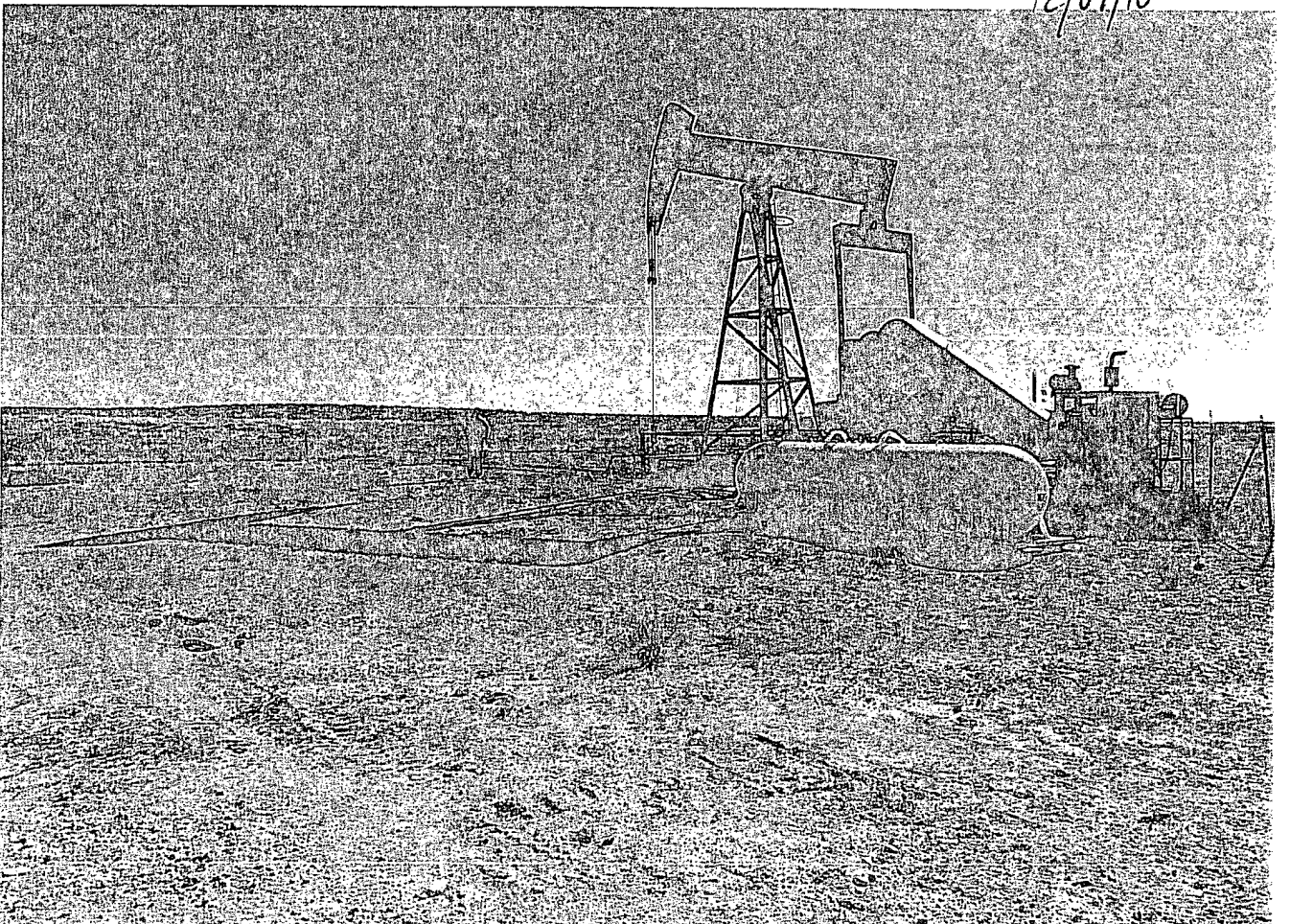
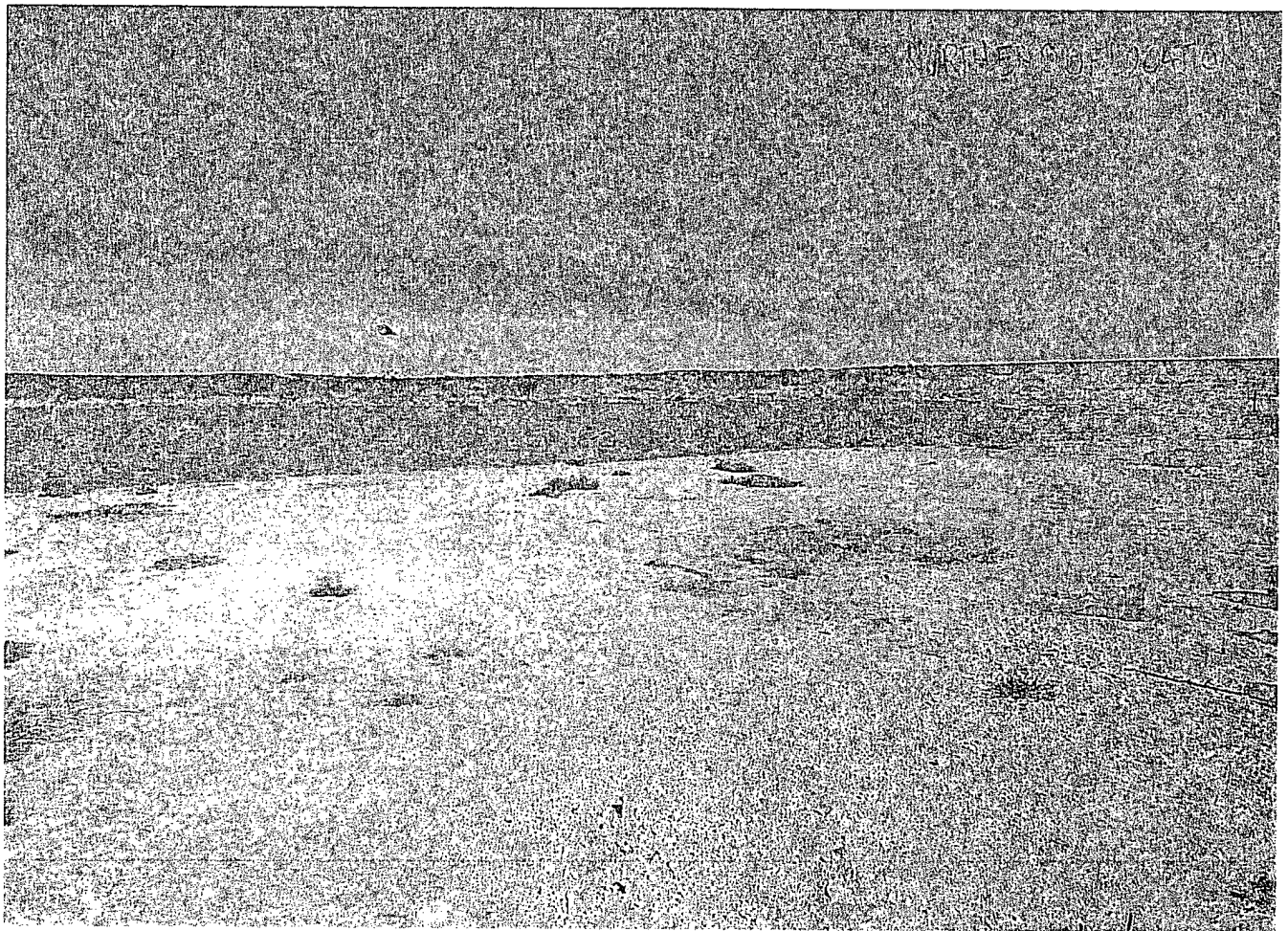


NORTH CORNER OF LOCATION



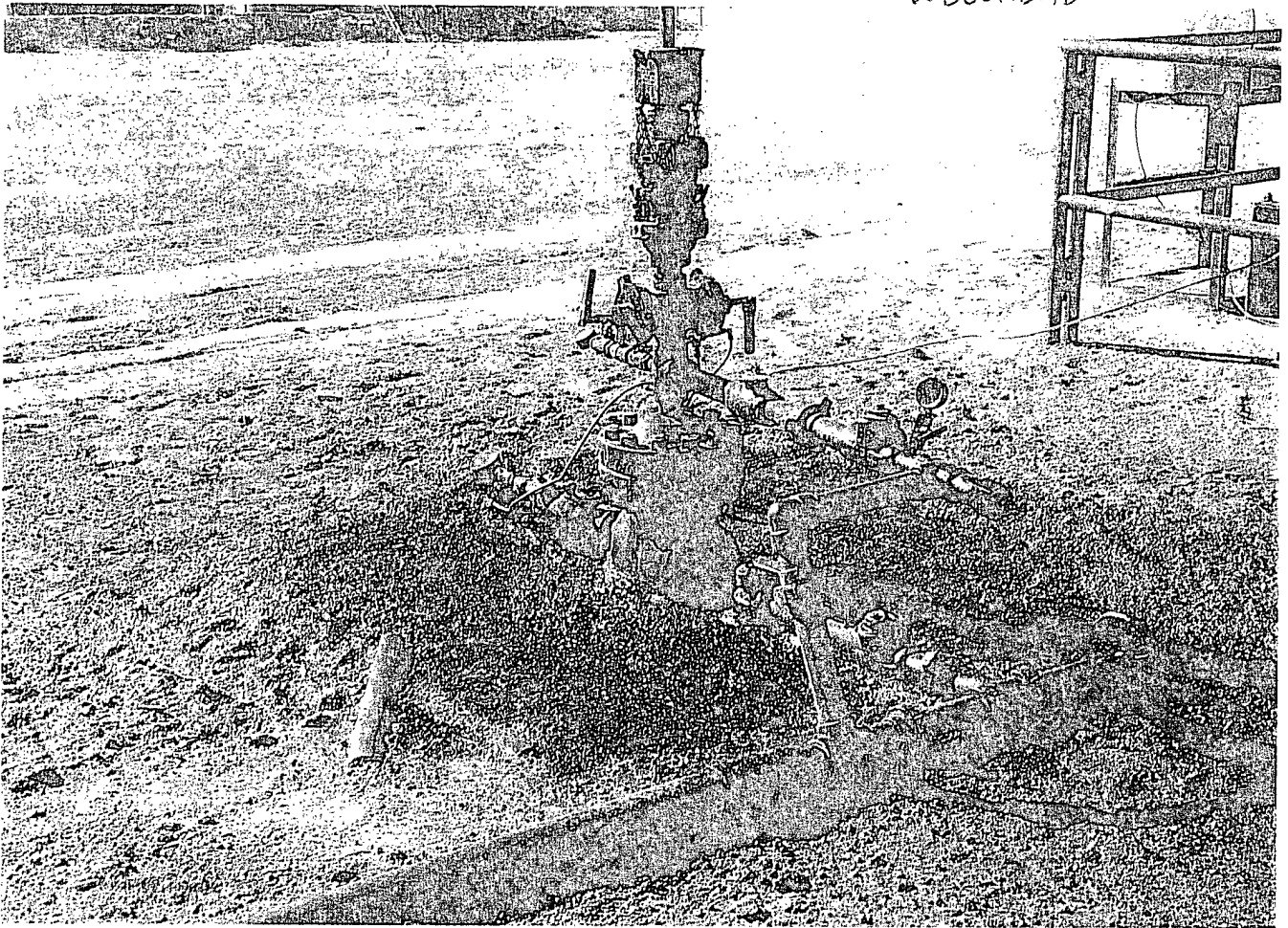
NORTHWEST CORNER OF LOCATION

12/07/10

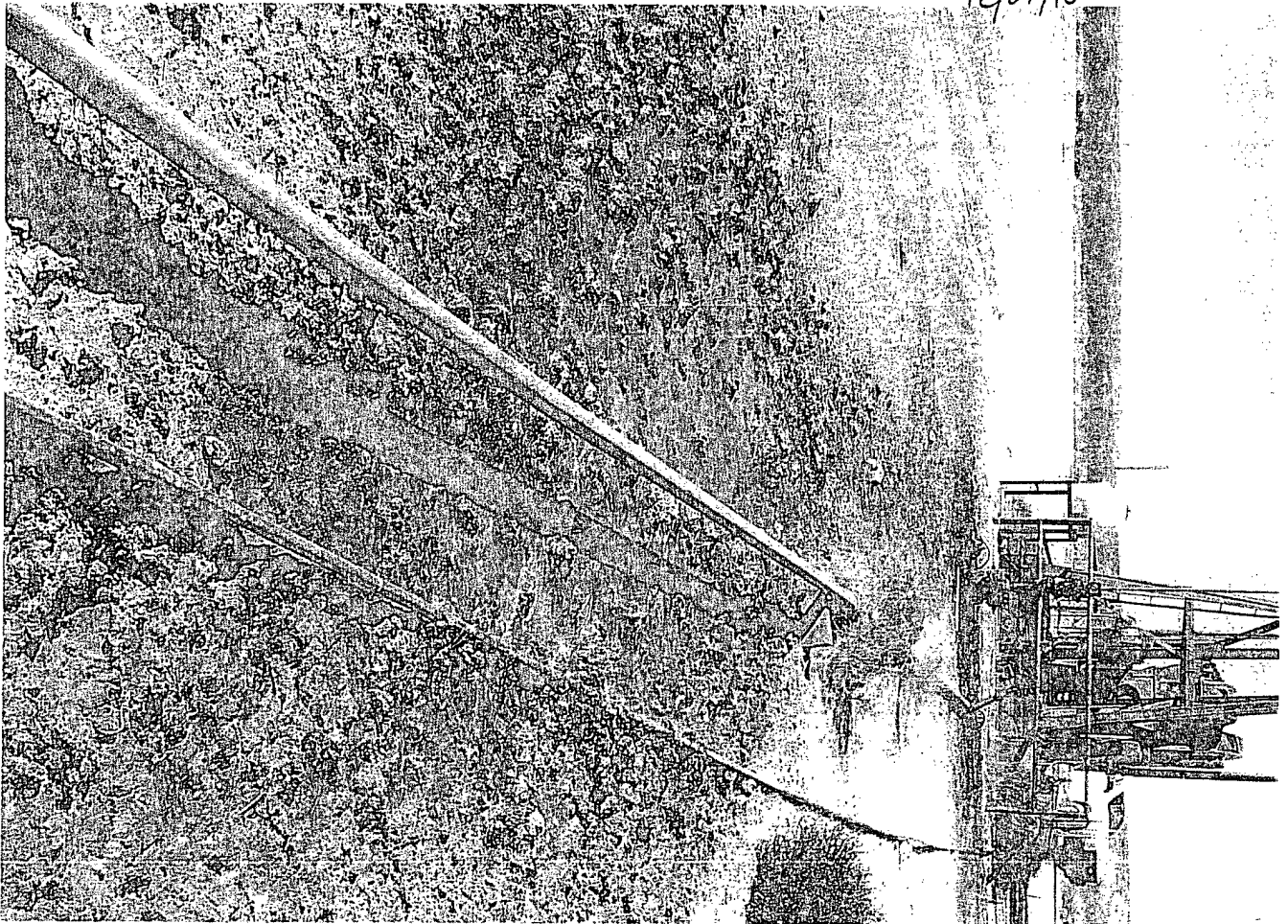


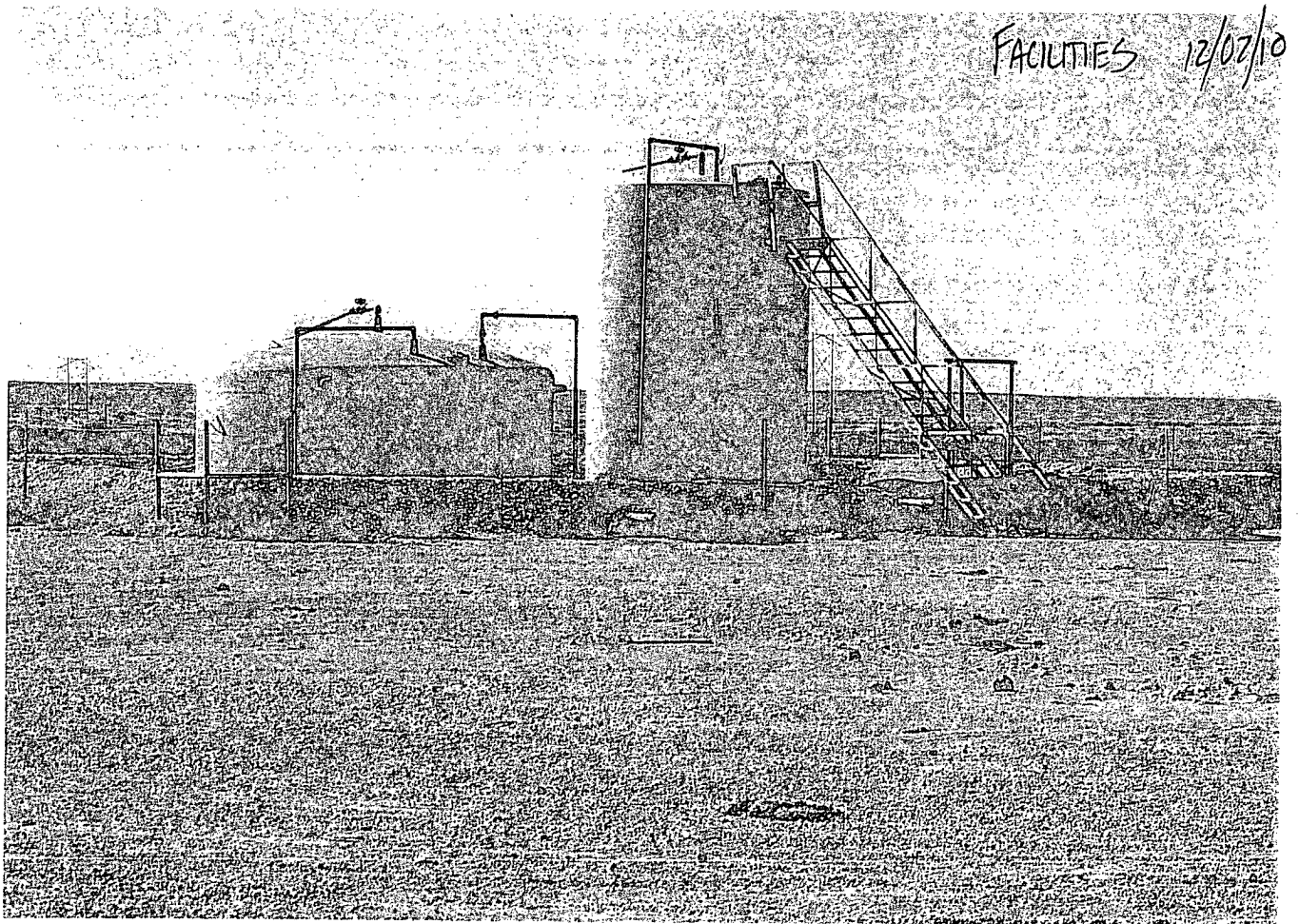
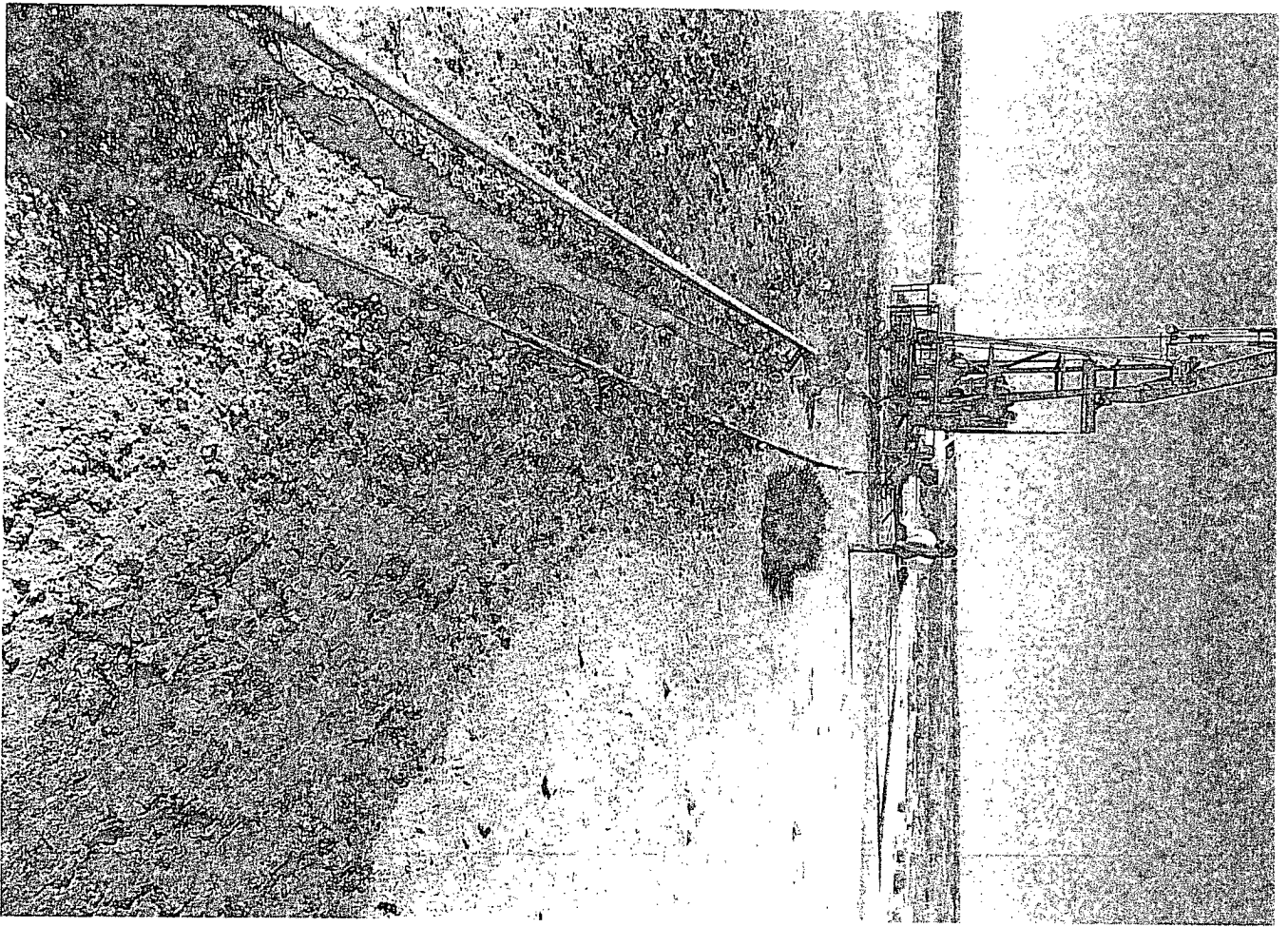
WELLHEAD-PUMPJACK

WELLHEAD



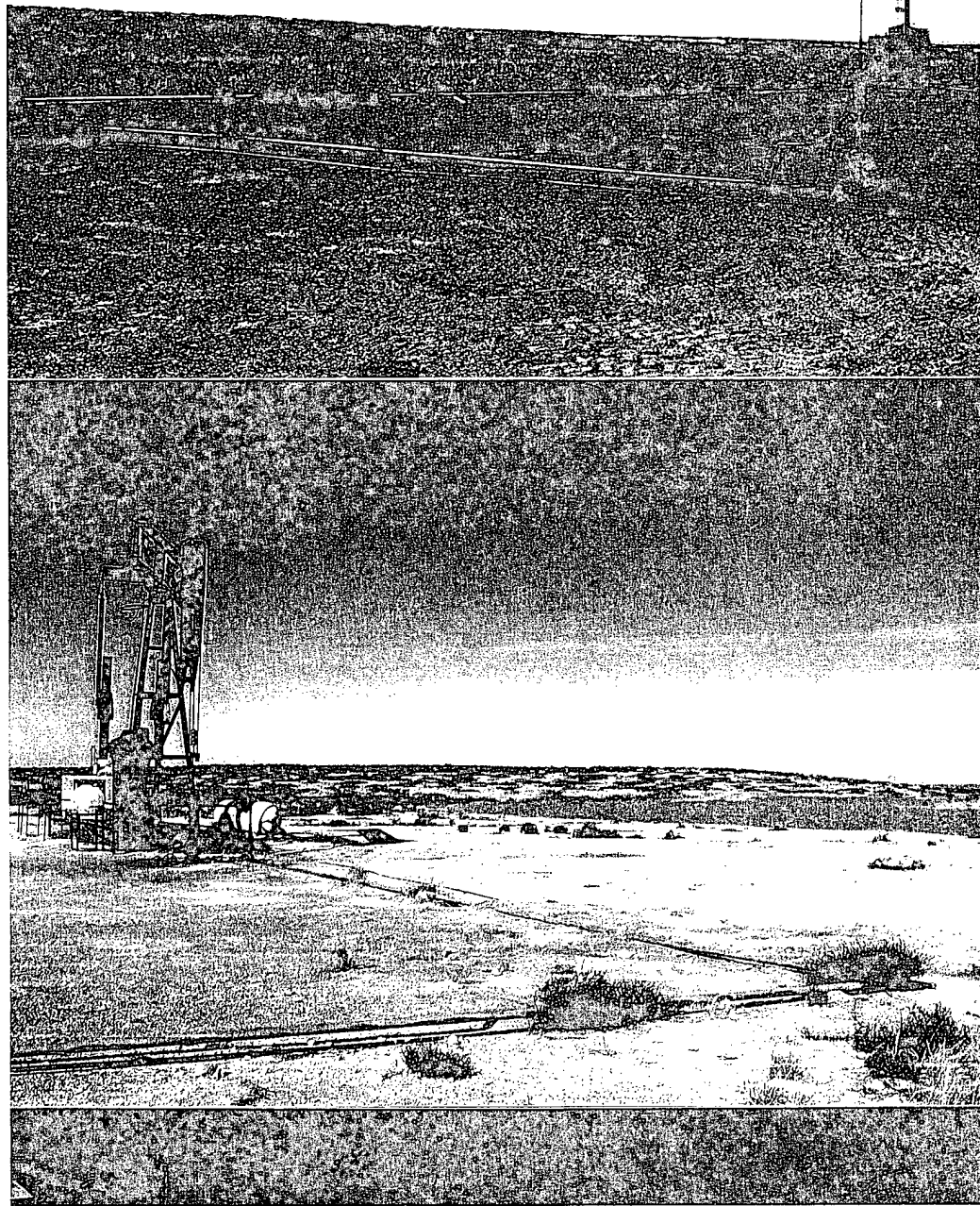
12/07/10

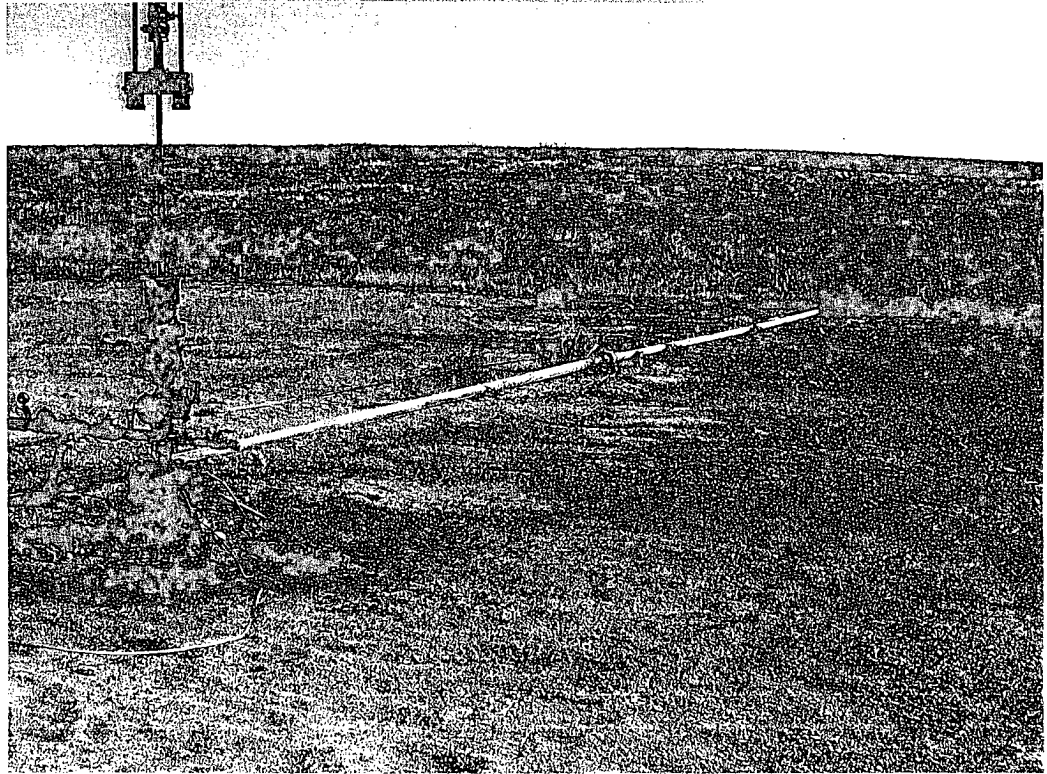
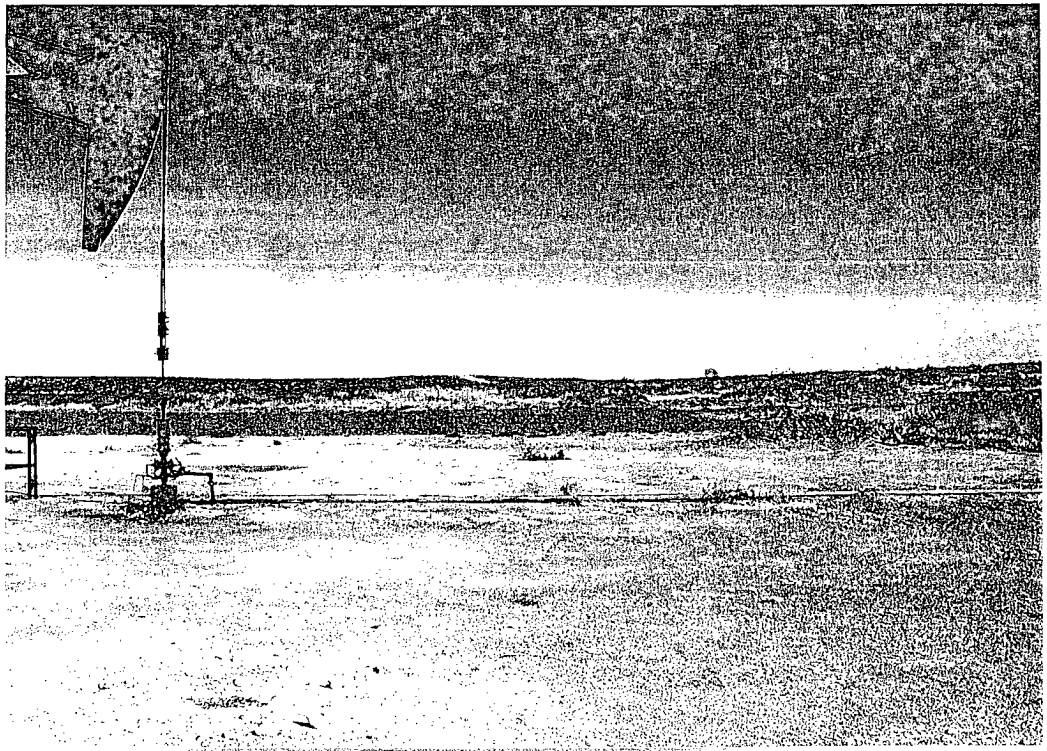






WESTSIDE OF LOCATION





17

