

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

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

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 page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation 025575

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

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

1980' FSL and 1980' FEL

J-6-12S-27E

5. Lease Serial No.

NM-101579

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Quarterback BQG Fed. Com. #1

9. API Well No.

30-005-64138

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Chaves 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Amend Surface
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Use Plan.

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 wishes to amend the surface use plan for the captioned well to include one (1) 2" steel Sch-40 buried flowline. The flowline will have a working pressure of 200# PSI and a volume of 500 bpd. The flowline will be on the south side of the access road going to the southwest corner of the well location. The flowline will follow existing disturbance and have a total distance of 2368.7' with 484.2' being on Federal surface and rest being on private surface. A surface use agreement has been made with the surface owner for his part. Please note attached plat and copy of the archaeological report.

Thank you.

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

Name (Printed/Typed)

Armando A. Lopez

Title

Chief Land Regulatory Agent

Signature

Armando A. Lopez

Date

December 3, 2010

Approved by

[Signature]

Title

Environmental Protection

Date

1-24-11

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.

Office

Robwell field office

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.

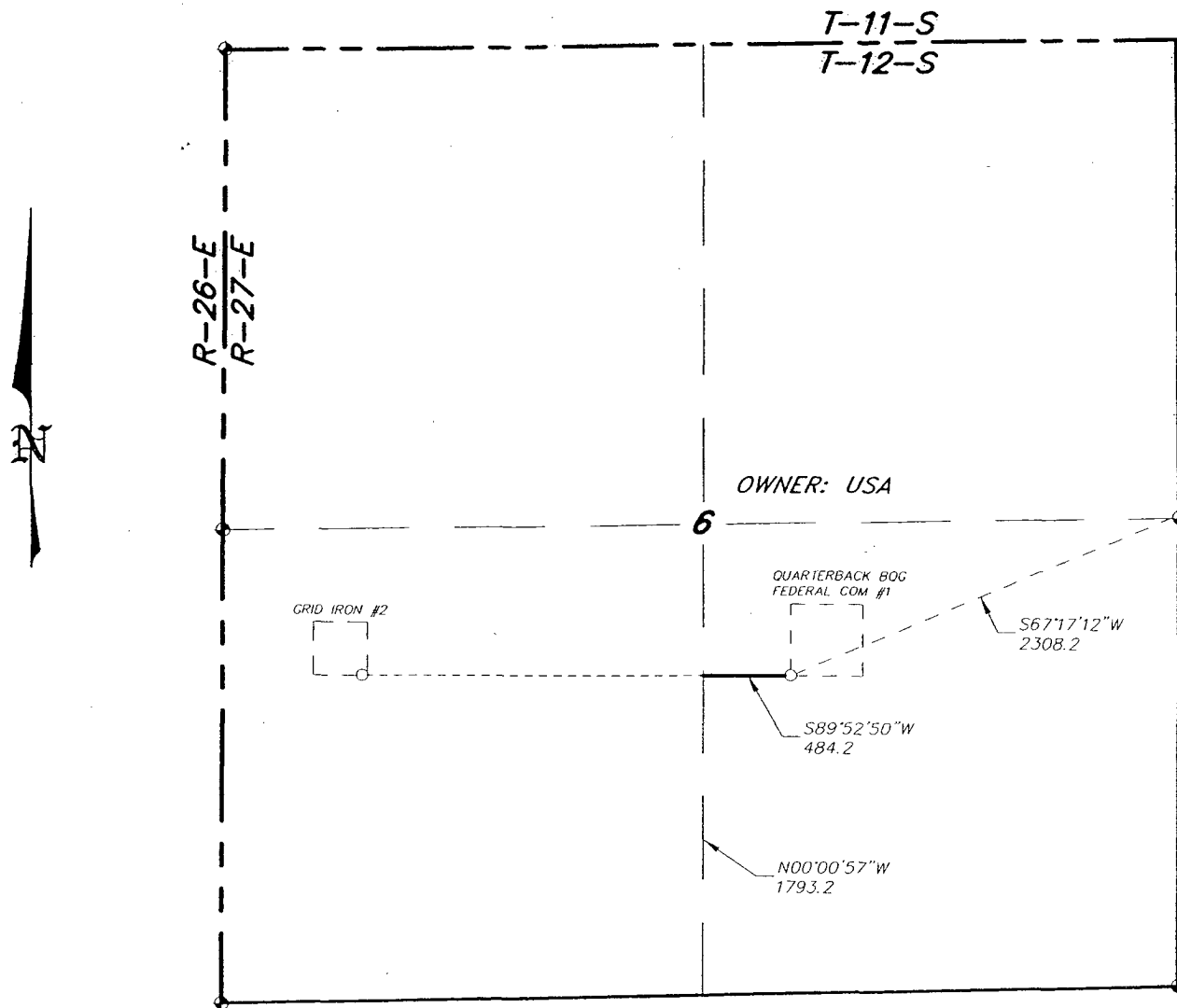
(Instructions on reverse)

RECEIVED

JAN 26 2011

NMOCD ARTESIA

SECTION 6, TOWNSHIP 12 SOUTH, RANGE 27 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 6, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 6 = 484.2 FEET = 29.35 RODS = 0.09 MILES = 0.33 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES
TEXAS P.L.S.
No. 7977
No. 5074

1000 0 1000 2000 FEET

YATES PETROLEUM CORP.

REF: PROP LEASE ROAD TO THE QUARTERBACK "BOG" FEDERAL COM #1

A flowline CROSSING USA LAND IN
SECTION 6, TOWNSHIP 12 SOUTH, RANGE 22 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 -HOBBS, NEW MEXICO

W.O. Number: 23429 Drawn By: J. M. SMALL

Date: 09-28-2010 Disk: 23429

Survey Date: 09-28-2010 Sheet 1 of 2 Sheets

NMC. 3 INVESTIGATION ABSTRACT FORM (NIAF)

LOW

1. NMCRIS Activity No.: 118,904	2a. Lead (Sponsoring) Agency: BLM-RFO	2b. Other Permitting Agency(ies): N/A	3. Lead Agency Report No.:												
4. Title of Report: A Class III Cultural Resource Survey for the Quarterback "BQG" Federal Com No. 1 Well Pad and Access Road Author(s) Justin Rein			5. Type of Report <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Positive												
6. Investigation Type <input type="checkbox"/> Research Design <input checked="" type="checkbox"/> Survey/Inventory <input type="checkbox"/> Test Excavation <input type="checkbox"/> Excavation <input type="checkbox"/> Collections/Non-Field Study <input type="checkbox"/> Overview/Lit Review <input type="checkbox"/> Monitoring <input type="checkbox"/> Ethnographic study <input type="checkbox"/> Site specific visit <input type="checkbox"/> Other															
7. Description of Undertaking (what does the project entail?): The proposed undertaking involves a pedestrian cultural resource survey for a proposed Yates Petroleum Corporation Quarterback "BQG" Federal Com No. 1 well pad and associated access road. The proposed well will impact an area no greater than 400 ft by 400 ft yet a 600 ft by 600 ft block of land was surveyed. Similarly, the proposed road will impact a strip of land no greater than 50 ft wide, yet a 100 ft wide corridor was surveyed.		8. Dates of Investigation: October 5, 2010 9. Report Date: October 6, 2010													
10. Performing Agency/Consultant: Boone Archaeological Services, LLC 2030 North Canal Carlsbad, NM 88220 575-885-1352 Principal Investigator: Danny Boone Field Supervisor: Justin Rein Field Personnel Names: Justin Rein		11. Performing Agency/Consultant Report No.: BAS-10-10-02 12. Applicable Cultural Resource Permit No(s): BLM Permit No.: 190-2920-09-L NM State Permit No.: NM-10-157-S													
13. Client/Customer (project proponent): Yates Petroleum Corporation Contact: Cy Cowan Address: 105 South Fourth Street Artesia, NM 88210 Phone: (575) 748-4371		14. Client/Customer Project No.: N/A													
15. Land Ownership Status (<u>Must</u> be indicated on project map): <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Land Owner</th> <th style="text-align: center;">Acres Surveyed</th> <th style="text-align: center;">Acres in APE</th> </tr> </thead> <tbody> <tr> <td>Bureau of Land Management – Roswell Field Office (BLM-RFO)</td> <td style="text-align: center;">9.03</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td>Private Property with Federal mineral rights</td> <td style="text-align: center;">4.32</td> <td style="text-align: center;">1.30</td> </tr> <tr> <td style="text-align: right;">TOTALS</td> <td style="text-align: center;">13.35</td> <td style="text-align: center;">5.30</td> </tr> </tbody> </table>				Land Owner	Acres Surveyed	Acres in APE	Bureau of Land Management – Roswell Field Office (BLM-RFO)	9.03	4.00	Private Property with Federal mineral rights	4.32	1.30	TOTALS	13.35	5.30
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16. Records Search(es): <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 45%;">Date(s) of ARMS File Review: October 4, 2010</td> <td style="width: 30%;">Name of Reviewer(s): Justin Rein</td> <td style="width: 25%;"></td> </tr> <tr> <td>Date(s) of NR/SR File Review: October 4, 2010</td> <td>Name of Reviewer(s): Justin Rein</td> <td></td> </tr> <tr> <td>Date(s) of Other Agency File Review: October 5, 2010</td> <td>Name of Reviewer(s): Justin Rein</td> <td>Agency: BLM-RFO</td> </tr> </table> <p style="margin-top: 10px;">One previously recorded site, LA 49481, was encountered within 0.25 miles of the project area. The site will not be impacted by the currently proposed undertaking.</p>				Date(s) of ARMS File Review: October 4, 2010	Name of Reviewer(s): Justin Rein		Date(s) of NR/SR File Review: October 4, 2010	Name of Reviewer(s): Justin Rein		Date(s) of Other Agency File Review: October 5, 2010	Name of Reviewer(s): Justin Rein	Agency: BLM-RFO			
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17. Survey Data:

- a. Source Graphics ☒ NAD 27 ☐ NAD 83
☒ USGS 7.5' (1:24,000) topo map ☐ Other topo map, Scale:
☒ GPS Unit Accuracy ☐ <1.0m ☒ 1-10m ☐ 10-100m ☐ >100m

b. USGS 7.5' Topographic Map Name **USGS Quad Code**

Bottomless Lakes, New Mexico 1950	33104-C3

c. County(ies): Chaves County**17. Survey Data (continued):****d. Nearest City or Town:** Roswell, New Mexico**e. Legal Description:**

Township (N/S)	Range (E/W)	Section	¼	¼	¼
12 South	27 East	6	NW¼	SE¼	
		6	S½	NE¼	SW¼
		6	SE¼	NW¼	SW¼

Projected legal description? Yes [], No [] Unplatted []

- f. Other Description (e.g. well pad footages, mile markers, plats, land grant name, etc.): The proposed Quarterback "BQG" Federal Com No. 1 well location is centered 1,980 feet from the south line and 1,980 feet from the east line of Section 6. The proposed access road begins at the southwestern margin of the well location and travels 2,368 ft west where it joins the southeastern margin of the Grid Iron No. 2 well location.

18. Survey Field Methods:Intensity: ☒ 100% coverage ☐ <100% coverageConfiguration: ☒ block survey units: 600 ft by 600 ft ☒ linear survey units (l x w): 2,218 ft long by 100 ft wide☐ other survey units (specify):Scope: ☒ non-selective (all sites recorded) ☐ selective/thematic (selected sites recorded)Coverage Method: ☒ systematic pedestrian coverage ☐ other method (describe)

Survey Interval (m): 15m (50 ft) Crew Size: 1 Fieldwork Dates: October 5, 2010

Survey Person Hours: 3.5 Recording Person Hours: 0 Total Hours: 3.5

Additional Narrative: In order to protect any cultural resources, a 600 ft by 600 ft block was surveyed around the staked well center utilizing linear transects spaced no more than 15 m apart. Approximately 150 ft of the proposed access road survey is within the block survey. A 100 ft wide corridor was surveyed along the staked access road centerline, outside of the block survey, utilizing the same transect interval. The survey encompassed a total of 13.35 acres on both Private property with Federal mineral rights (4.32 acres, 1,883.8 linear ft) and federal property (9.03 acres, 334.2 linear ft plus the block survey) under the jurisdiction of the Bureau of Land Management – Roswell Field Office (BLM-RFO).

- 19. Environmental Setting (NRCS soil designation; vegetative community; elevation; etc.):** The project is located roughly 15 miles southeast of Roswell, New Mexico and just over three miles southeast of Bottomless Lakes State Park. The elevation ranges from 3,695 ft to 3,735 ft above mean sea level. Overall, the terrain trends gradually downhill to the east at a grade of less than one percent. Local soils are of the Holloman-Gypsum land-Reeves association as defined by the Soil Conservation Service of the U.S. Department of Agriculture. Local vegetation is typical of Chihuahuan Desert scrub and includes various grasses, prickly pear cacti, yucca, cholla, acacia, and various low forbes.

20.a. Percent Ground Visibility: 85%

b. Condition of Survey Area (grazed, bladed, undisturbed, etc.): Due to the vegetative ground cover, visibility averaged 85 percent at the time of survey. The proposed access road begins at the southeast corner of the proposed well location and travels west, crossing a barbed-wire fence line, to the southeast corner of the Grid Iron Fed No. 2 well location. Additional active oil and gas exploration is visible in the surrounding area. The project area is otherwise undeveloped and susceptible to natural aeolian and alluvial activity in addition to openly grazing cattle.

21. CULTURAL RESOURCE FINDINGS ☐ Yes, See Page 3 ☒ No, Discuss Why: The project area is situated across an overall flat, exposed, plain with reduced access to readily available resources.

22. Required Attachments (check all appropriate boxes):

- ☒ USGS 7.5 Topographic Map with sites, isolates, and survey area clearly drawn
- ☒ Copy of NMCRIS Mapserver Map Check
- ☐ LA Site Forms - new sites (*with sketch map & topographic map*)
- ☐ LA Site Forms (update) - previously recorded & un-relocated sites (*first 2 pages minimum*)
- ☐ Historic Cultural Property Inventory Forms
- ☐ List and Description of isolates, if applicable
- ☐ List and Description of Collections, if applicable

23. Other Attachments:

- ☐ Photographs and Log
- ☒ Other Attachments

(Describe): Survey plats provided by Yates Petroleum Corp.

24. I certify the information provided above is correct and accurate and meets all applicable agency standards.

Principal Investigator/Responsible Archaeologist: Justin Rein

Signature



Date

10-6-10

Title (if not PI): Crew Chief

25. Reviewing Agency:
Reviewer's Name/Date

Accepted () Rejected ()

Tribal Consultation (if applicable): ☐ Yes ☐ No

26. SHPO
Reviewer's Name/Date:

HPD Log #:

SHPO File Location:

Date sent to ARMS:

CULTURAL RESOURCE FINDINGS

[fill in appropriate section(s)]

1. NMCRIS Activity No.: 118,904	2. Lead (Sponsoring) Agency: BLM - RFO	3. Lead Agency Report No.:
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SURVEY RESULTS:

Sites discovered and registered: 0
 Sites discovered and NOT registered: 0
 Previously recorded sites revisited (site update form required): 0
 Previously recorded sites not relocated (site update form required): 0
 TOTAL SITES VISITED: 0

Total isolates recorded: 0 Non-selective isolate recording? ☒
 Total structures recorded (new and previously recorded, including acequias): 0

MANAGEMENT SUMMARY: No cultural materials were encountered during the survey. As such, archaeological clearance is recommended for the proposed Quarterback "BQG" Federal Com No. 1 well location and associated access road. If any cultural materials are encountered during any phase of construction, work at that location should cease and archaeologists with the BLM-RFO should be notified immediately.

IF REPORT IS NEGATIVE YOU ARE DONE AT THIS POINT.

SURVEY LA NUMBER LOG

Sites Discovered:

LA No.	Field/Agency No.	Eligible? (Y/N, applicable criteria)

Previously recorded revisited sites:

LA No.	Field/Agency No.	Eligible? (Y/N, applicable criteria)

MONITORING LA NUMBER LOG *(site form required)*

Sites Discovered *(site form required)* : Previously recorded sites *(Site update form required)*:

LA No.	Field/Agency No.	LA No.	Field/Agency No.

Areas outside known nearby site boundaries monitored? Yes ☐, No ☐ If no explain why:

TESTING & EXCAVATION LA NUMBER LOG *(site form required)*

Tested LA number(s)	Excavated LA number(s)

SURVEY FOR THE QUARTERBACK "BQG" FEDERAL COM No. 1 WELL PAD AND ACCESS ROAD

