

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-94095
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name Not Applicable
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (505) 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) 330' FSL and 330' FEL, Unit letter P Section 17, T21S-R32E		8. Well Name and No. Caper BFE Federal #4
		9. API Well No. 30-025-37449
		10. Field and Pool, or Exploratory Area Wildcat Bone Springs
		11. County or Parish, State Lea County, New Mexico

12. CHECK 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 APD Extension
	<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 Operations (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.)

Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to August 26, 2007.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface to the Bone Springs formation to meet the OCD's minimum requirements per rule 118.
C-144 attached.

APPROVED FOR 12 MONTH PERIOD
ENDING 8-26-07

Thank you.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Clifton May	Title Regulatory Agent
Signature <i>Clifton May</i>	Date July 26, 2006
THIS SPACE FOR FEDERAL OR STATE USE	
Approved by /s/ Tony J. Herrell	Title FIELD MANAGER
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.	Date AUG 19 2006
Office CARLSBAD 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)

KZ

District I
1623 N. French Dr., Hobbs, NM 88240
District II
1399 W. Grand Avenue, Aztec, NM 87210
District III
1900 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 4, 2004

For drilling and production facilities, submit to appropriate NMOC District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: 505-748-4572 mail address: CUP@YKnm.com
Address: 105 SOUTH FOURTH STREET
Facility or well name: CRAGO BFE FEDERAL API #: 30-025-32449 U/L or Q/L or P: P Sec: 17 T: 215 R: 328
County: LEA Latitude: N 34° 47' 24" Longitude: W 107° 48' 43" Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Use: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Line: <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Line type: Synthetic <input checked="" type="checkbox"/> Thickness <u>1/2</u> in. Clay <input type="checkbox"/> Volume <input type="checkbox"/> <u>8000</u> gal	Below-grade tank Volume: _____ gal Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet <u>50 feet or more, but less than 100 feet</u> 100 feet or more	(20 points) <u>(10 points)</u> (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes <u>No</u>	(20 points) <u>(0 points)</u>
Distance to surface water: (Horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet <u>1000 feet or more</u>	(20 points) (10 points) <u>(0 points)</u>
Ranking Score (Total Points)		<u>10 POINTS</u>

If this is a pit closure:

- Attach a diagram of the facility showing the pit's relationship to other equipment and tanks.
- Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility _____
- Attach a general description of remedial action taken including remediation start date and end date.
- Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results.
- Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been constructed or closed according to NMOC District Office guidelines.

Date: 9/12/05

Printed Name/Title: CLYDE R. MAY, REGULATORY AGENT Signature: Clyde R. May

Your certification and NMOC District Office approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved:

Date:

Printed Name/Title:

PETROLEUM ENGINEER

Signature:

SEP 12 2005

AUG 19 2006

Lease No.: NM-94095
Well Name: Caper BFE Federal #4
Well Location: T21S, R32E, Section 17

Dear APD Permittee:

Please be aware that this APD is within Lesser Prairie Chicken habitat and as a result of the settlement in a lawsuit between BLM and the litigant, we will be unable to approve any requests for exceptions without further environmental analysis which could take up to 30 days. Consequently, it is advisable to schedule drilling within Lesser Prairie Chicken habitat outside the March 15th to June 15th timing restrictions in order to avoid a delay if a request for an exception becomes necessary.

If you have any questions regarding this lawsuit or the requirements as a result of the settlement, please contact Jim Stovall (505)234-5981, Dorothy Morgan (505)234-5951, or Russ Sorensen (505)234-5963.

Sincerely,
/s/ Tony J. Herrell

Field Manager