

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



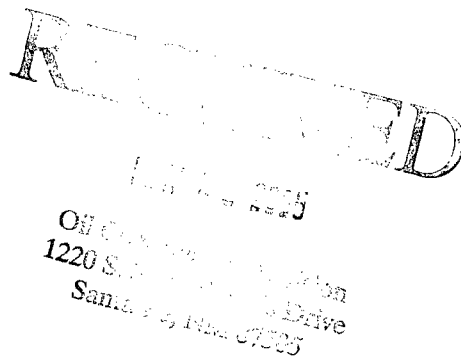
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

May 22, 2005

Mr. Michael Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Non-Standard Gas Location
Hickory ALV Federal #6
1980' FSL & 1090' FEL
Section 18-T22S-R24E
Eddy County, New Mexico
Leas Number NM-78215



Dear Mr. Stogner:

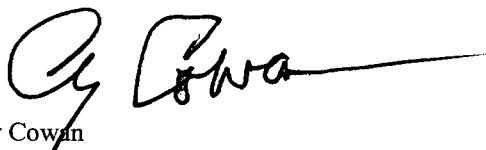
Yates Petroleum Corporation wishes to apply for an administrative approval for a non-standard gas location for this well due to the topography. This well is a non-standard location as it falls under the special rules in the Indian Basin-Upper Pennsylvanian Associated Pool. The original well was proposed at a standard location. At the onsite with the Bureau of Land Management, Barry Hunt, Surface Protection Specialist instructed Yates Petroleum Corporation to move the well 100' to the west to it's present location due to the terrain.

This is the second well on this spacing unit. The first well is the Hickory ALV Federal #2 at 1650' FNL & 660' FEL, Section 18-T22S-R24E. Directional drilling of this well from an existing pad would be uneconomical from a financial and production propective.

If you have any questions or need more information, please contact me at 505.748.4372. Thank you.

Sincerely,

Yates Petroleum Corporation


Cy Cowan
Regulatory Agent

CC/crm

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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NEW MEXICO OIL CONSERVATION DIVISION

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1220 South St. Francis Drive, Santa Fe, NM 87505



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☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cy Cowan
 Print or Type Name

Signature

Regulatory Agent
 Title

5/22/05
 Date

e-mail Address

YATES PETROLEUM CORPORATION
Hickory ALV Federal #6
1980' FSL & 1090' FEL
Section 18-T22S-R24E
Eddy County, New Mexico
Lease Number NM-78215
Indian Basin-Upper Pennsylvanian Associated Pool

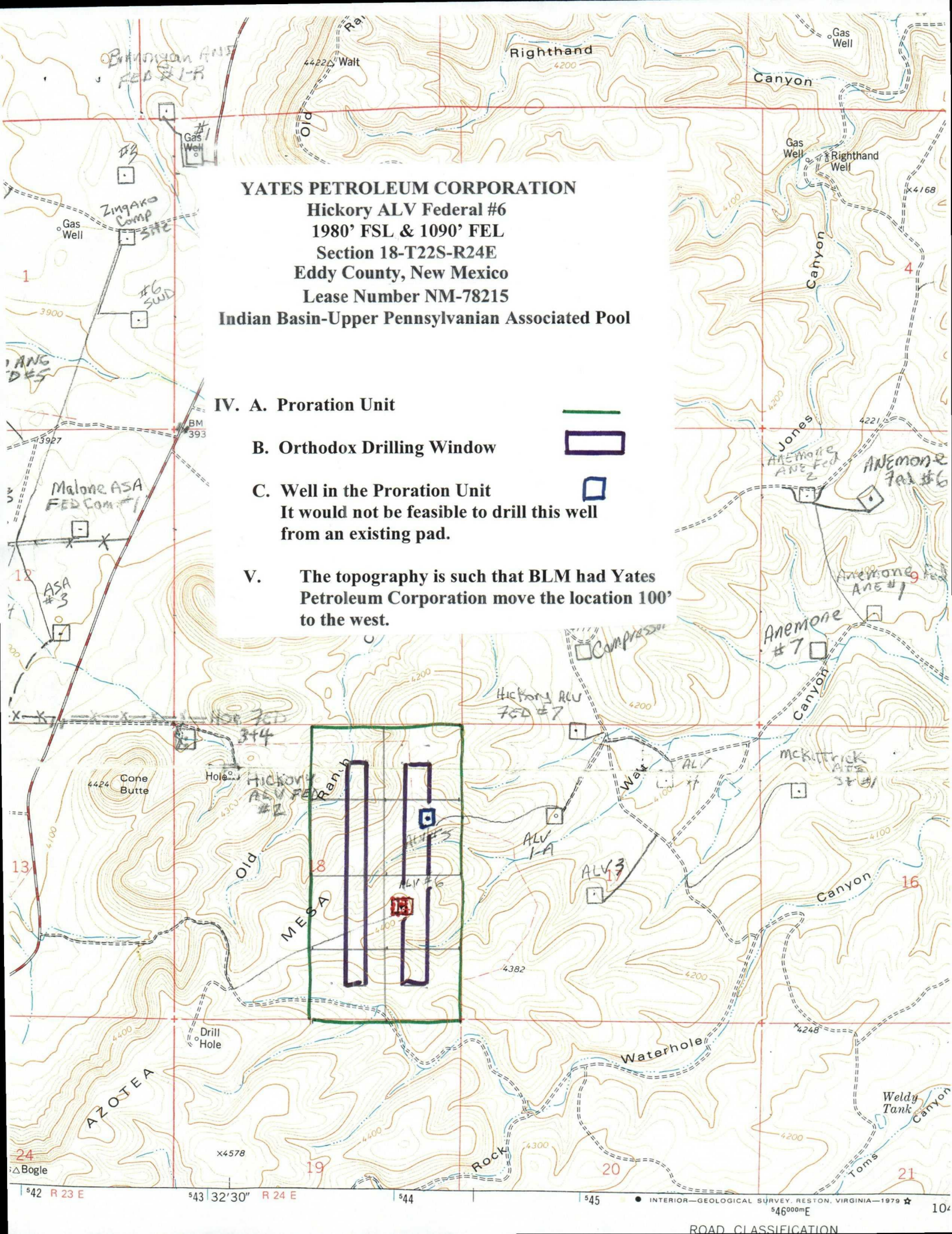
IV. A. Proration Unit

B. Orthodox Drilling Window

C. Well in the Proration Unit

It would not be feasible to drill this well from an existing pad.

V. The topography is such that BLM had Yates Petroleum Corporation move the location 100' to the west.



YATES PETROLEUM CORPORATION

Hickory ALV Federal #6

1980' FSL & 1090' FEL

Section 18-T22S-R24E

Eddy County, New Mexico

Lease Number NM-78215

Indian Basin-Upper Pennsylvanian Associated Pool

IV. A. Proration Unit

B. Orthodox Drilling Window

C. Well in the Proration Unit

It would not be feasible to drill this well from an existing pad.

V. The topography is such that BLM had Yates Petroleum Corporation move the location 100' to the west.

Unorthodox Proposed Location

Original
Proposed
Location

Drill
Hole

AZOTEA

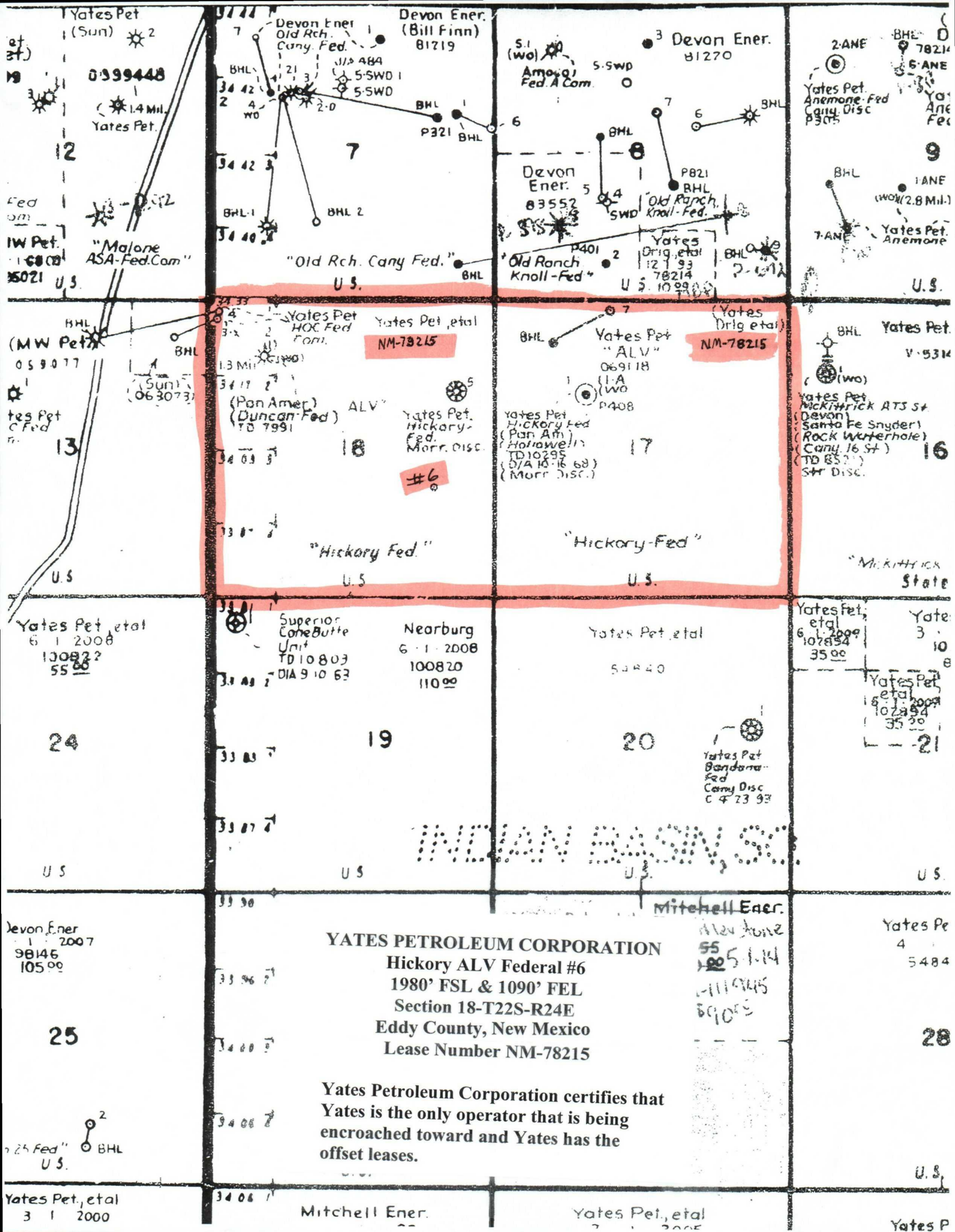
x4578

66 Δ Bogle

542 R 23 E

543 32'30" R 24 E

544



16	(1) 34.33		NM-7825	
	(2) 34.17			#5
	(3) 34.03			
	(4) 33.87			1090' 1980'

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Clifton R. May

Signature
Clifton R. May

Printed Name
Regulatory Agent

Title
May 20, 2005

Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 18, 1994

Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number
NM PRESENTATIONAL 5412

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICEOMB 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 side1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

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 & 1090' FEL

Section 18, T22S-R24E

5. Lease Serial No.

NM-78215 ✓

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Hickory ALV Federal #8 ✓

9. API Well No.

10. Field and Pool, or Exploratory Area

Unknown

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> After 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	Extend APD
	<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 recomple 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 recompletion 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 above captioned APD's date to July 28, 2005

Thank you.

Approved For 12 Month PeriodEnding 7/28/05

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

Name (Printed/Typed)

Debbie L. Caffall

email: debbiec@ypcnm.com

Title

Regulatory Technician

Date

June 28, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

FIELD MANAGER

Date

9/29/04

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 enable the applicant to conduct operations thereon.

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)

EC

OPERATOR'S COPY

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM78215
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. HICKORY ALV FEDERAL 6
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. <i>30-08-30998</i>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 1980FSL 1090FEL At proposed prod. zone NESE 1980FSL 1090FEL		10. Field and Pool, or Exploratory UNKNOWN
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 33 MILES NE OF CARLSBAD, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T22S R24E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8900 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4409 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00
23. Estimated duration 50 DAYS		20. BLM/BIA Bond No. on file

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4347	Date 06/18/2003
Title REGULATORY AGENT		
Approved by (Signature) <i>Joe G. Lara</i>	Name (Printed/Typed) <i>Joe G. Lara</i>	Date 7/28/03
Title <i>Acting</i> FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

Additional Operator Remarks (see next page)

Electronic Submission #23403 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Linda Askwig on 06/24/2003 (03LA0608AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

NO REMARK PROVIDED

Revisions to Operator-Submitted EC Data for APD #23403

Operator Submitted

Lease: NM-78215
Agreement:
Operator: YATES PETROLEUM CORPORATION
105 SOUTH 4TH STREET
ARTESIA, NM 88210
Ph: 505.748.1471
Fx: 505.748.4572

Admin Contact: ROBERT ASHER
REGULATORY TECHNICIAN
105 SOUTH 4TH STREET
ARTESIA, NM 88210
Ph: 505.748.4364
Fx: 505.748.4572

E-Mail: basher@ypcnm.com

Tech Contact: CY COWAN
REGULATORY AGENT
105 S. 4TH STREET
ARTESIA, NM 88210

Well Name: HICKORY ALV FEDERAL
Number: 6

Location:
State: NM
County: EDDY
S/T/R: Sec 18 T22S R24E Mer NMP
Surf Loc: NESE 1980FSL 1090FEL

Field/Pool: INDIAN BASIN UPPER PENN ASSOC.

Bond: NM-2811

BLM Revised (AFMSS)

NMNM78215

YATES PETROLEUM CORPORATION

105 S 4TH STREET
ARTESIA, NM 88210
Ph: 505.748.4203

ROBERT ASHER
REGULATORY TECHNICIAN
105 S 4TH STREET
ARTESIA, NM 88210
Ph: 505.748.4364
Fx: 505.748.4572

E-Mail: basher@ypcnm.com

CY COWAN
REGULATORY AGENT
105 S 4TH STREET
ARTESIA, NM 88210

HICKORY ALV FEDERAL
6

NM
EDDY
Sec 18 T22S R24E Mer NMP
NESE 1980FSL 1090FEL

UNKNOWN

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Indian Basin Upper Penn Assoc.	
⁴ Property Code		⁵ Property Name HICKORY ALV FEDERAL			⁶ Well Number 6
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 4409'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	18	22S	24E		1980	South	1090	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title 6/17/2003 Date	
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:

District I
PO Box 1980, Hobbs, NM 88240-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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10 Surface Location

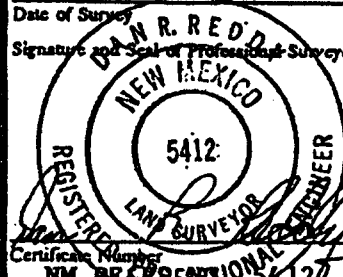
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I	18	22S	24E		1980	SOUTH	1090	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>Ken Beardemphl</i> Printed Name Ken Beardemphl Title Landman Date 11/22/94
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. NOVEMBER 18, 1994 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number NM 88-00000000-5412

YATES PETROLEUM CORPORATION
Hickory ALV Federal #6
 1980' FSL and 1090' FEL
 Sec. 18-T22S-R24E
 Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	1293'
Glorietta	2770'
Bone Springs	3682'
Wolfcamp	7550'
Canyon	8470'
TD	8900'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 0 – 200'
 Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	54.5#	J-55	ST&C	0-350'	350'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-3750' 3400'	3750'
8 3/4"	7"	26#	N-80	LT&C	0-600'	600'
8 3/4"	7"	26#	J-55	LT&C	600-1800'	1200'
8 3/4"	7"	23#	J-55	LT&C	1800-6300'	4500'
8 3/4"	7"	26#	N-80	LT&C	6300-8900'	2600'

WITNESS

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

YATES PETROLEUM CORPORATION
Hickory ALV Federal #6
1980' FSL and 1090' FEL
Sec. 18-T22S-R24E
Eddy County, New Mexico

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17 1/2"	13 3/8"	54.5#	J-55	ST&C	0-350'	350'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-3750' 3400'	3750'
8 3/4"	7"	26#	N-80	LT&C	0-600'	600'
8 3/4"	7"	26#	J-55	LT&C	600-1800'	1200'
8 3/4"	7"	23#	J-55	LT&C	1800-6300'	4500'
8 3/4"	7"	26#	N-80	LT&C	6300-8900'	2600'

WITNESS

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: 350 sx "C" w/2% CaCl₂, Cement circulated to surface.

Intermediate Casing: 1000 sx Lite and 250 sx "C" + 2% CaCl₂, Cement circulated to surface.

Production Casing: 650 sx "H" + 5# Gilsonite, 5# CSE (YLD 1.31 WT 15.1), DV Tool at 6000'.

2nd Stage: 850 sx Lite "C" + 5# Salt + 5# Gilsonite, 0.25# Celloseal, and 100 sx "C", Cement circulated to surface.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW Spud Mud	8.3 - 8.6	30-36	N/C
350'-3750'	FW	8.3	28	N/C
3400' 3750'-7400'	FW	8.4	28	N/C
7400'-8250'	Cut Brine	8.9 - 9.4	28	N/C
8250'-TD	SW Gel/Starch	8.9 - 9.6	32-38	<12cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: CNL/LDT from TD to casing w/CR-CNL up to surface; DLL from TD to casing RXO from TD.

Coring: As warranted.

DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	To: 350'	Anticipated Max. BHP	<175 PSI.
From: 350'	To: 3750'	Anticipated Max. BHP	<1650 PSI.
From: 3750'	To: 8900'	Anticipated Max. BHP	<3600 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: H₂S information attached.

Maximum Bottom Hole Temperature: 159 F.

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 20 days.

YATES PETROLEUM CORPORATION

Hickory ALV Federal #6

1980' FSL and 1090' FEL

Section 18-T22S-R24E

Eddy County, New Mexico

H2S Drilling Operations Plan

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 3 days or 500 feet prior to encountering known or probable H2S zone at 3200' feet.

Submitted with the APD is a well site diagram showing:

- 1) Drilling rig orientation, location of flare pit.
- 2) Prevailing wind direction.
- 3) Location of access road.

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow, or red flag will be displayed.

Green - Normal conditions

Yellow - Potential danger

Red - Danger H2S present

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1) 30 minute "pressure demand" type working unit for each member of rig crew on location.
- 2) 5 minute escape packs for each crew member.
- 3) Trailer with a "cascade air system: to facilitate working in a H2S environment for time period greater than 30 minutes.

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.

The mud system will be designed to minimize or eliminate the escape of H₂S at the rig floor. This will be accomplished through the use of proper mud weight, proper pH control of the drilling fluid and the use of H₂S scavengers in the drilling fluid. A mud gas separator will be utilized when H₂S has is present in the mud.

Drilling experience has shown that wells in developmental areas, (i.e. Dagger Draw, Livingston Ridge Delaware, and Lusk Delaware) are normally pressured and don't experience either H₂S kicks or loss of returns. Due to these circumstances, we request exceptions to the rule requiring flare line with remote lighter and choke manifold with minimum of one remote choke. This equipment would be provided on exploratory wells or wells with the known potential for H₂S kicks. Additionally, a SO₂ monitor would be positioned near the flare line, and a rotating head utilized.

The drill string, casing, tubing, wellhead, blowout preventers and associated lines and valves will be suitable for anticipated H₂S encounters.

Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Drill stem testing to be performed with a minimum number of essential people on location. They will be those necessary to safely conduct the test. If H₂S is encountered during a drill stem test, essential personnel will mask up and determine H₂S concentration. The recovery will then be reversed to flare pit. Pulling of test tools will be conducted in a safe manner.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Hickory ALV Federal #6

1980' FSL and 1090' FEL

Sec. 18-T22S-R24E

Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1 EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 33 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Carlsbad on Highway 285 for 12.5 miles to Highway 137.
Turn west and go 14 miles and turn east on caliche road for 0.8 miles.
The new road will start here.

2. PLANNED ACCESS ROAD

- A. The proposed new access road will be approximately 3200' in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a southwest to northeast direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Some traffic turnouts will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same manner or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

00-000000

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Should get all the materials needed for construction off the pit for well, if not the contractor will obtain any permits and materials for needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal surface, Administered by the Bureau of Land Management, Carlsbad, New Mexico.

12. OTHER INFORMATION:

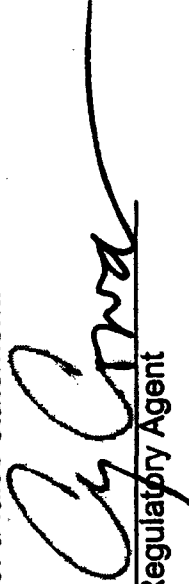
- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

- | | |
|---|--|
| A. Through A.P.D. Approval: | B. Through Drilling Operations, Completions and Production: |
| Cy Cowan, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | Pinson Mc Whorter, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.


Regulatory Agent

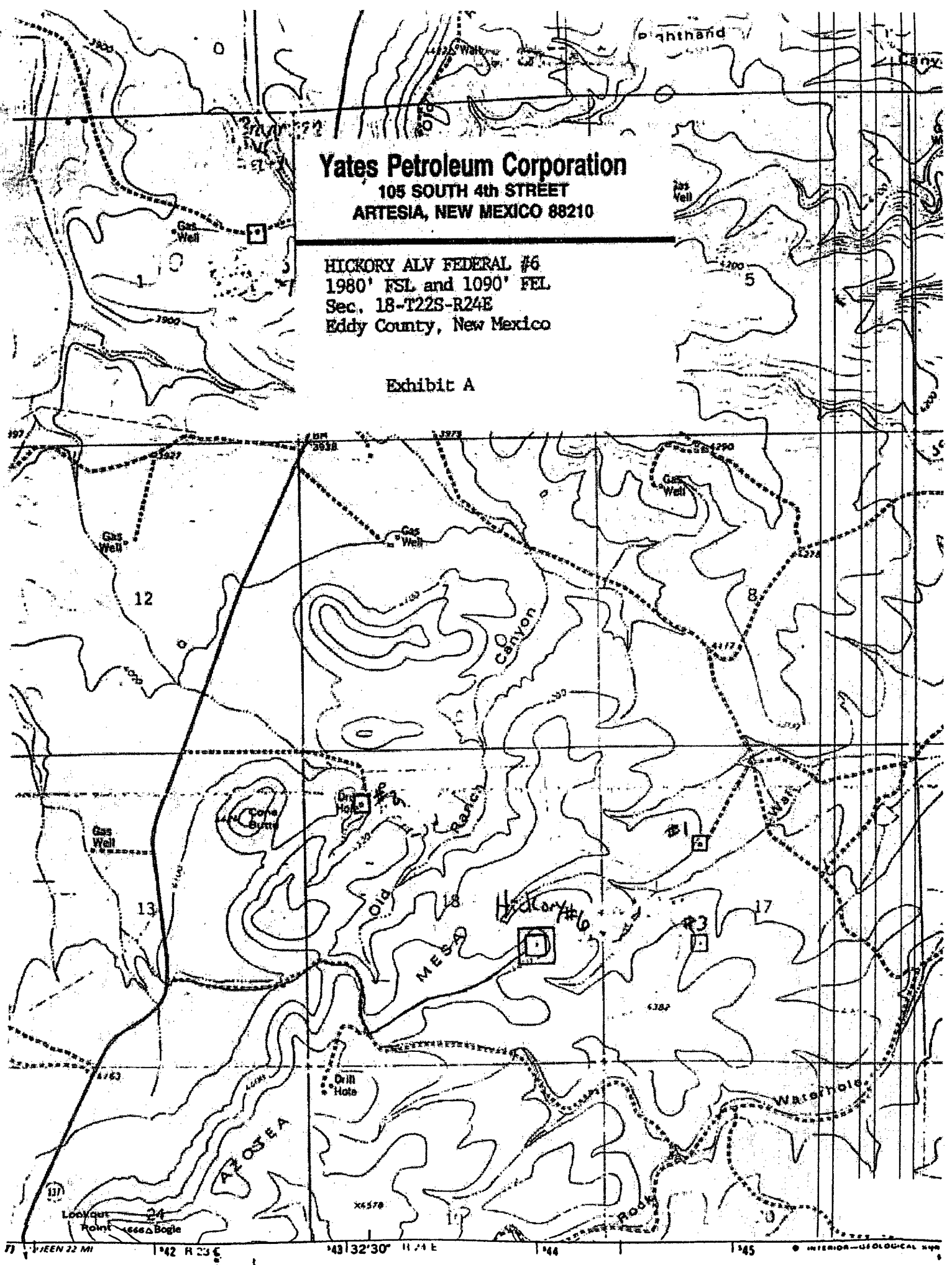
6/17/2003

Yates Petroleum Corporation

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

HICKORY ALV FEDERAL #6
1980' FSL and 1090' FEL
Sec. 18-T22S-R24E
Eddy County, New Mexico

Exhibit A

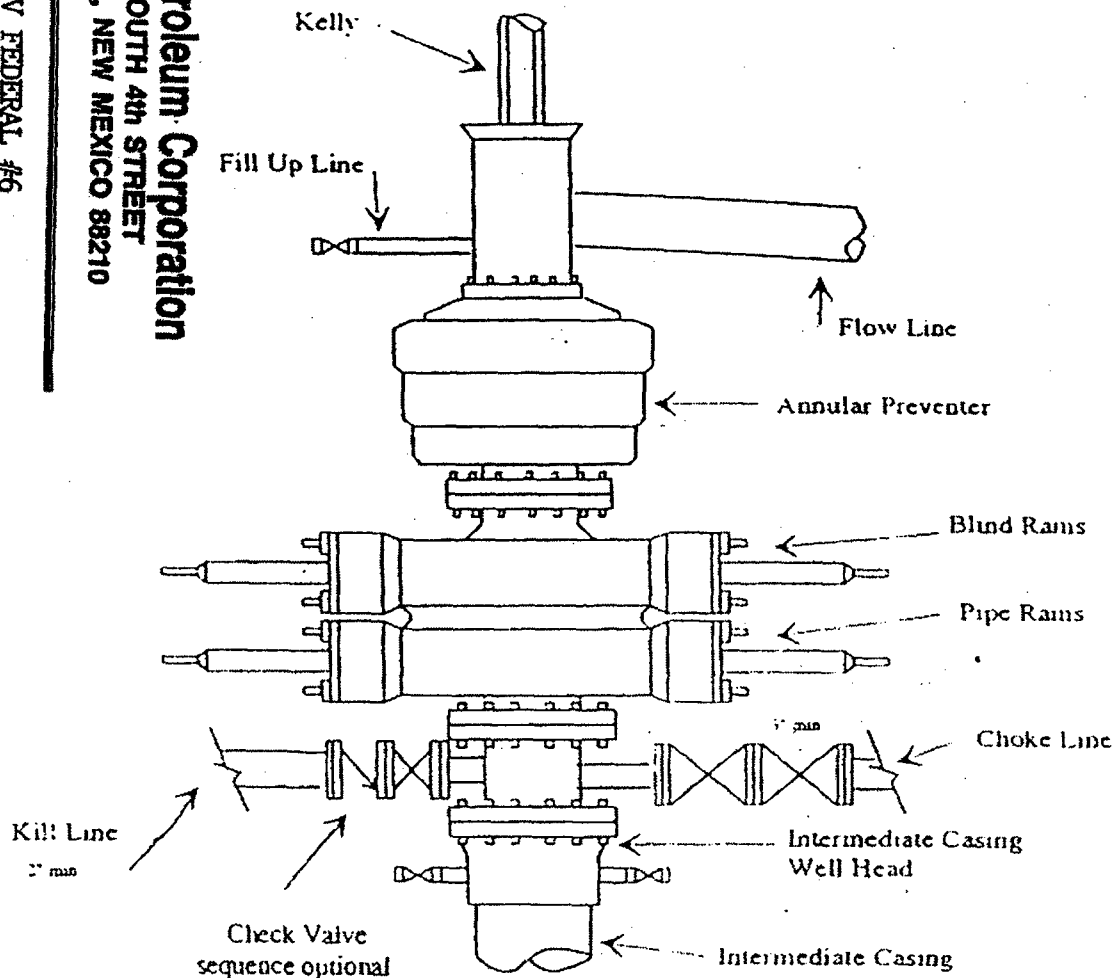


INTERIOR-GEOLOGICAL MAP

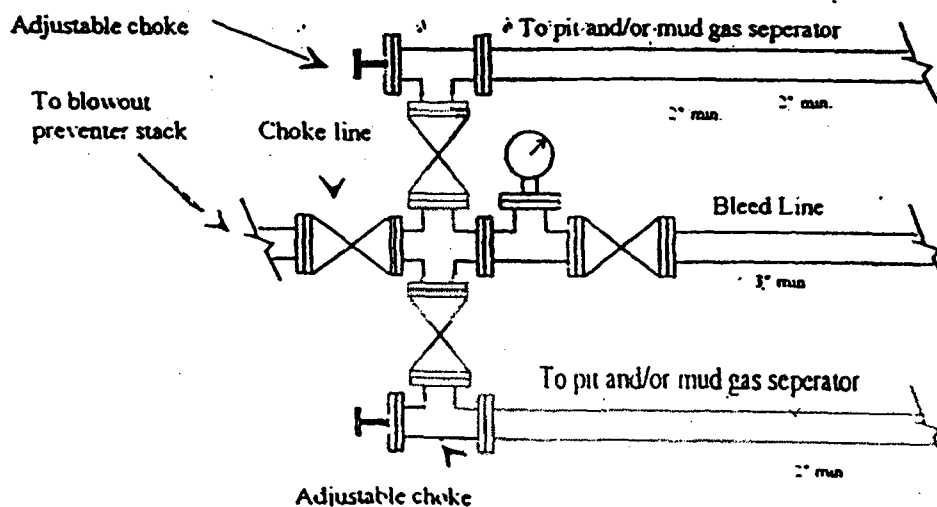
ROAD CLASS

Yates Petroleum Corporation

Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation
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Exhibit B

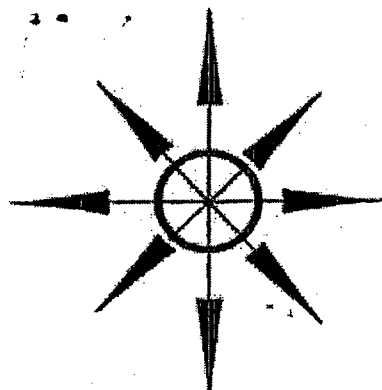
Yates Petroleum Corporation

Location Layout for Permian Basin

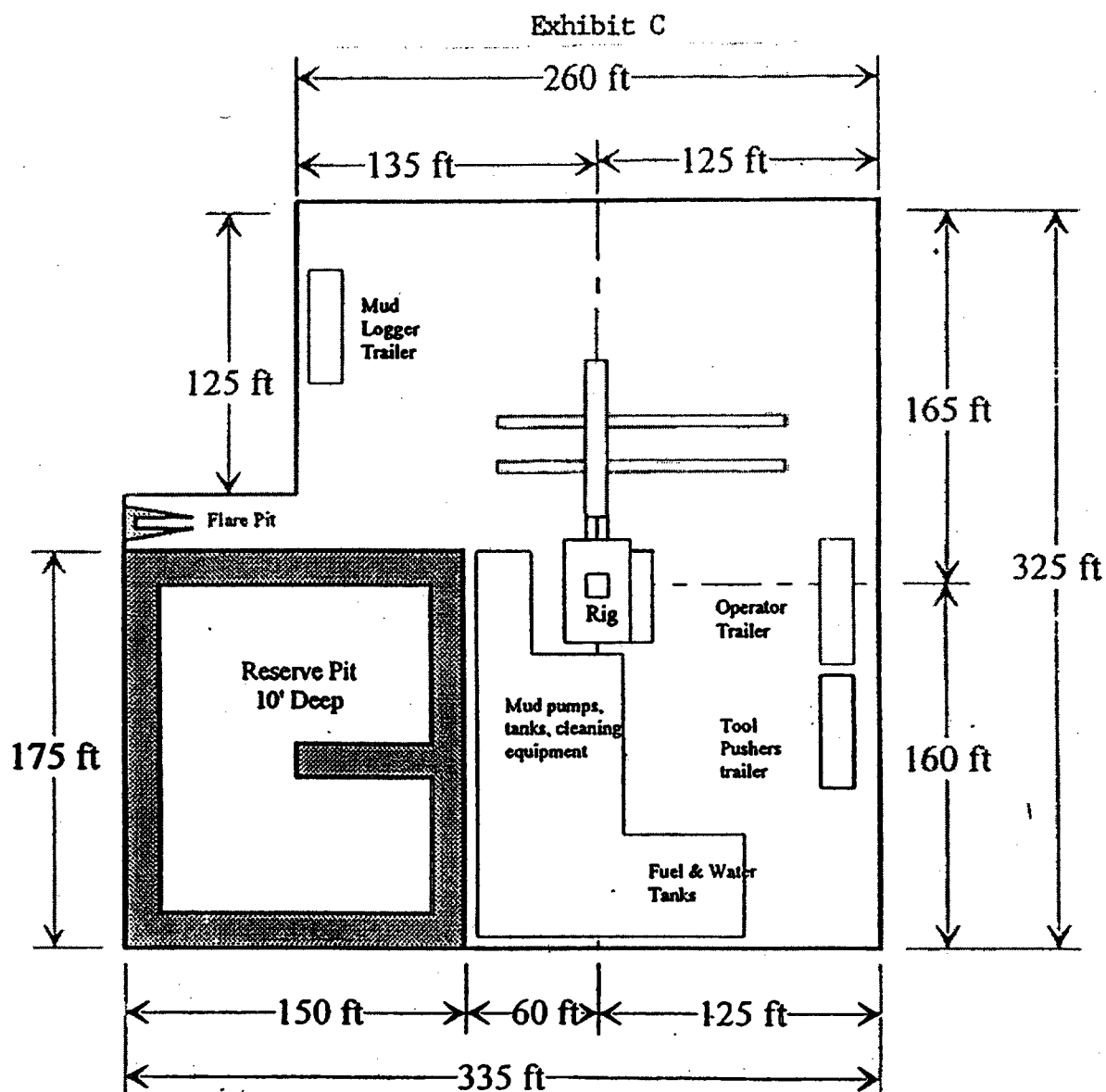
Up to 12,000'

Yates Petroleum Corporation

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210



HICKORY ALV FEDERAL #6
1980' FSL and 1090' FEL
Sec. 18-T22S-R24E
Eddy County, New Mexico



Distance from Well
Head to Reserve Pit
will vary between rigs

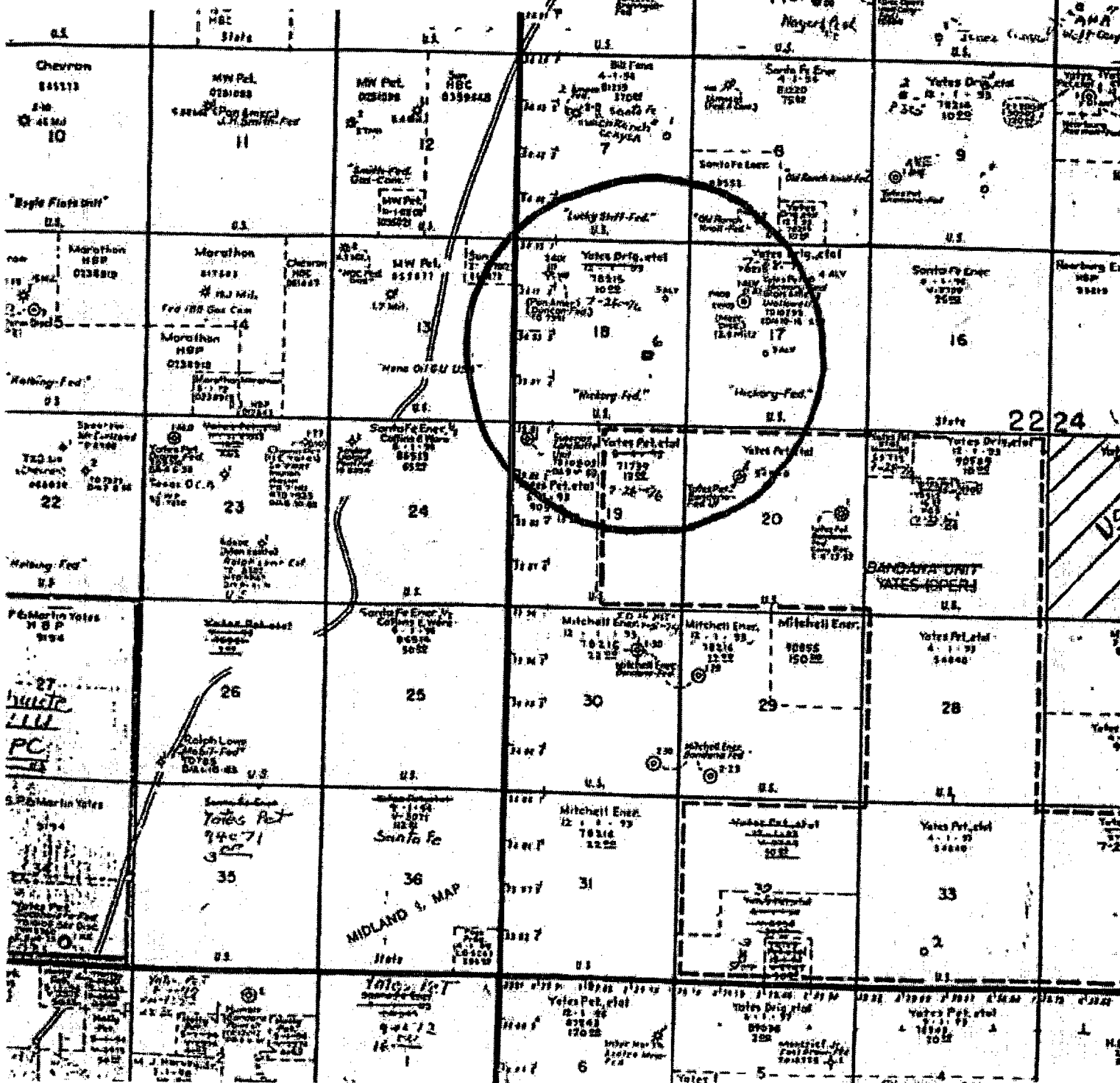
The above dimension
should be a maximum

Yates Petroleum Corporation

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

HICKORY ALV FEDERAL #6
1980' FSL and 1090' FEL
Sec. 18-T22S-R24E
Eddy County, New Mexico

Exhibit D



SPECIAL DRILLING STIPULATIONS
FOR THE EAST INDIAN BASIN OIL FIELD DEVELOPMENT

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATOR'S NAME Yates Petroleum Corporation
WELL NAME & No. Hickory ALV Fed. #6
LOCATION 1980 F S L & 1090 F E L, SEC. 18, T 22 S, R 24 E
LEASE NO. NM-78215 COUNTY Eddy STATE NEW MEXICO

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management (BLM) office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 AND 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination, whichever is shorter.

1. ON LEASE – SURFACE REQUIREMENTS PRIOR TO DRILLING

(x) The BLM will monitor construction of this drill site. Notify the Carlsbad Field Office at (505) 234-5972, at least three (3) working days prior to commencing construction.

(x) Roads and the drill pad for this well must be surfaced with a minimum of 4 inches of compacted caliche.

() The holder shall comply with the terms, conditions, and stipulations for drilling sites in the Azotea Mesa portion of the East Indian Basin development area, as listed below:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the rights-of-way or on facilities authorized by this grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the rights-of-way (unless the release or threatened release is wholly unrelated to the rights-of-way holder's activity on the rights-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the well site, any oil or other pollutant should be discharged, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the

responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting there from, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. The holder shall conduct all activities associated with the construction, operation, and termination of the rights-of-way within the authorized limits of the rights-of-way.

6. No well or plant sites will be allowed on slopes over 20 percent. Other use or occupancy on slopes over 20 percent would be limited. Uses permitted might include mineral material extraction sites, surface pipelines, projects designed to enhance or protect renewable natural resources, or other uses as approved by the Authorized Officer (AO). Projects on these steep grades will be considered on a case-by-case basis, and may require special conditions or stipulations for slope mitigation.

7. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair impacted improvements to at least their former state. The holder shall contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence will be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed in existing fences unless approved by the Authorized Officer.

8. All above-ground structures not subject to safety requirements shall be painted by the holder to reduce visual contrasts and to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The colors selected for this project include: () A "Carlsbad Canyon" (Munsell Soil Color Chart [MSCC] Number 2.5Y 6/2), () B "Slate Gray" [MSCC] Number 5Y 6/1), () C "Desert Brown" [MSCC] Number 10YR 6/3), and (x) D "Juniper Green" [no MSCC Number], the color(s) for individual facilities will be specified depending on the site-specific contrasts caused by the individual action. Exceptions to these color requirements may be authorized on a case-by-case basis, if determined to be more effective in meeting site-specific VRM objectives, such as for power poles, fence posts, signs, etc.

9. The holder shall take whatever steps are necessary to ensure that non-road rights-of-way are not used as roadways. The holder shall not use non-road rights-of-way as roads or access for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Stacks on heater-treaters/separator-dehydrators will be required to be covered to prevent mortality of avian species including neotropical migrants and bats.

12. The BLM will be informed at least two (2) working days prior to any blasting. Notifications of blasting should include the purpose and location of the blasting, the intended date and duration of the blasting, and the estimated volume of the excavation or cut and/or fill.

13. The site will be maintained in neat and orderly condition at all times. All waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human refuse, trash, garbage, debris, petroleum products, brines, chemicals, oil drums, ashes, and equipment. No waste shall be buried on site.

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. The holder shall reseed all surface disturbed by construction activities. If reseeding is required, it will be done according to the attached seeding requirements, using the native seed mixture specified.

16. Upon completion of initial construction, the holder will promptly reclaim disturbed areas not necessary for continuing facility operation.

17. Closed circulation systems (steel pits) may be required on steeper slopes, on locations with restricted available area, in rocky zones where digging a pit could involve rock saws or blasting, or in other areas of special concern as determined by the BLM AO in consultation with Industry. Cuttings will be placed in permanent, lined pits, located by the BLM and Industry representatives during the initial on-site BLM-Industry meeting.

When reserve (mud) pits are used, they will be constructed as per the decisions made at the initial on-site meeting between industry and BLM. Pits will be lined with heavy (8 mil) pit liners which are never to be breached. Berms, sufficient to contain any spills or water flows and preferable made from excavated pit material, will be constructed around the pits. Relocation or reorientation of pits, or modified "V" pits, may be required at certain locations. Padding material, such as sand, dirt fines, or straw, may be required to prevent punctures in the bottom of the pit liners.

During reclamation the pits will be allowed to dry, then the liners will be folded over the pit sediments, and the pit will be backfilled. No pit will be drained and no pit liner will be broken. An examination and approval by a BLM representative will be required prior to closure of any reserve pit.

18. BLM will require prompt notification by the operator of any bit drops of four feet or more accompanied by circulation losses greater than 75 percent.

19. To minimize potential impacts to subsurface resources from well drilling, casing, or cementing, the BLM may require specific procedures, such as fresh water drilling in certain zones, special cement additives or sweeps, or cementing casing to the surface. These procedures, if required, will be determined by the BLM Fluid Minerals staff in consultation with the operator.

20. To minimize potential problems due to casing and cementing, the BLM may require the following actions as determined by BLM and the operator.

- (1) Use of cement baskets, external casing packers, multiple-staged and/or remedial cementing to isolate voids encountered;
- (2) Use of special cements or cement additives to combat lost circulation;
- (3) Use of cement evaluation tools;
- (4) Cementing all casing strings to surface.

21. Permanent under-liners and berms sufficient to contain any spills will be built under and around storage tanks.

22. If, during on-site inspection, it is determined that surface disturbing activities must be conducted in areas of possible T&E plant habitat (limestone shelves or rocky outcroppings), a T&E species survey may be required prior to authorization of any surface disturbing activities.

23. Cleanup of spills in excess of state-reportable levels should be accomplished using bio-remediation techniques rather than by removing contaminated soil. If measures other than bio-remediation are required for individual spill sites, these special techniques will be approved by the Authorized Officer, BLM, in consultation with the companies.

24. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt, etc.) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. Contact the BLM solid minerals staff for the various options to purchase mineral material.

25. Caliche pits will be reclaimed by sloping their walls, replacing the topsoil, and seeding. In some cases, caliche removed from other sites may be returned, depending on the condition of the caliche.

26. Abandoned surface pipelines and other above-ground equipment will be removed promptly once these are no longer needed, buried pipelines will be flushed and left in place.

27. Sites built on cut-and-fill will be recontoured to blend into the surrounding natural terrain, as nearly as feasible.

28. Special Stipulations:

() A. On a case-by-case basis, BLM may require gates on, or physical restriction to, any new or upgraded road constructed to provide access to a new facility within the study area. The gates or physical barrier would remain closed and locked at all times and access would be granted only to essential company and BLM personnel. This restriction could help to protect important cultural and archaeological sites, as well as wildlife, watershed, and recreation values.

() B. To maintain Visual Resources along State Highway 137, screening with planting or natural or man-made materials, such as berms or fencing may be required at some locations.

(x) C. Padding material, such as sand, dirt fines, or straw, will be required to prevent punctures in the bottom of the pit liners.

(x) D. Other. See attached Special Reserve Pit Construction/Reclamation Stipulations.

II. WELL COMPLETION REQUIREMENTS

() A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

(x) Surface Restoration: When the well is completed, the reserve pit(s) will be dried and backfilled, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be recontoured to resemble the original contours of the surrounding terrain and reclaimed as per stipulation number 20. The disturbed area will be reseeded with the following seed mixture, in pounds of Pure Live Seed (PLS) per acre. (Pounds

*** RESERVE PIT CONSTRUCTION AND RECLAMATION STANDARDS**

The pit will be built in 100 % cut so that the pit area can be folded in and leveled at ground level.

The pit area will be lined with a felt liner to prevent punctures in pit liner.

The pit will be lined with two 6 mil liners.

Reclamation:

Reclamation of this type of deep pit will consist of vacuuming off all fluids. Contact Paul Evans (505) 234-5977 or Becky Hunt (505) 234-5995, with the BLM, prior to reserve pit reclamation.

The pit liners are NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

After drying, another liner or suitable material will be placed over the mud to cap the pit.

The pit walls will be pushed in and the area covered with at least 3 ft. of soil.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Yates Petroleum Corporation
Well Name & No. Hickory ALV Federal #6
Location: 1980' FSL, 1090' FEL, Section 18, T.22 S., R. 24 E., Eddy County, New Mexico
Lease: NM-78215

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch

C. BOP tests

2. A Hydrogen Sulfide (H₂S) Drilling Operation Contingency Plan shall be activated prior to drilling into the ~~Delaware~~ *Cisco/Canyon* formation. A copy of the plan shall be posted at the drilling site. *(JL)*

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 13-3/8 inch surface casing shall be set at approximately 350 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is to be circulated to the surface.

3. The minimum required fill of cement behind the 7 inch intermediate casing is to reach at least 500 feet above the top of the uppermost hydrocarbon productive interval.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

Form 3160-3
(July 1992)

OIL CONS. COMMISSION

**DRAWER DD
ARTESIA, NM 88210**

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPPLICATE*
(Other Instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-78215
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION		7. UNIT AGREEMENT NAME 12365
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME, WELL NO. Hickory ALV Federal #6
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At 1080' FSL and 1090' FEL At proposed prod. zone Same		9. AM WELL NO. 30-015-28312
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 33 miles NW of Carlsbad, New Mexico		10. FIELD AND POOL OR WILDCAT Indian Basin Upper Penn Assoc. Pool 33685
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18-T22S-R24E
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH
17. NO. OF ACRES ASSIGNED TO THIS WELL		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 8900'
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4409
22. APPROX. DATE WORK WILL START* ASAP		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	350'	350 sacks <u>circulated</u>
12 1/4"	9 5/8"	36#	3750'	1000 sacks <u>circulated</u>
8 3/4"	7"	23 & 26#	8900'	1500 sacks (<u>tie back into 95/8"</u>)

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and cavings. We will run intermediate casing and if commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW Spud to 350'; FW to 7400'; Cut Brine to 8250'; Salt/Gel/Starch to TD.

BOP PROGRAM: BOP's will be installed and tested daily.

*Part ID-1
2-3-95
New LK + API*

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE Landman DATE 11/22/94
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval 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.
CONDITIONS OF APPROVAL, IF ANY: _____

/s/ (ORIG. SGD.) RICHARD L. MANING
APPROVED BY

AREA MANAGER
TITLE

DATE 1-17-95

*See Instructions On Reverse Side

District I
PO Box 1988, Hobbs, NM 88240-2960
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number		2 Pool Code		3 Pool Name Indian Basin Upper Perm Assoc Pool	
4 Property Code		5 Property Name HICKORY ALV FEDERAL			6 Well Number 6
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 4409

10 Surface Location

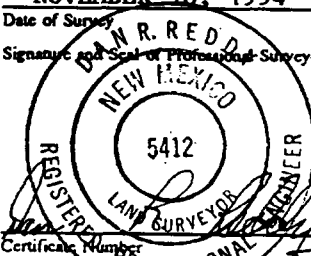
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	18	22S	24E		1980	SOUTH	1090	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		NM-78215		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Ken Beardemphl</u> Printed Name <u>Ken Beardemphl</u> Title <u>Landman</u> Date <u>11/22/94</u>
				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. NOVEMBER 18, 1994 Date of Survey Signature and Seal of Professional Surveyor: 

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No NM-78215
2. Name of Operator YATES PETROLEUM CORPORATION	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 105 South Fourth Street, Artesia, New Mexico 88210	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL and 1090' FEL Sec. 18-T22S-R24E	8. Well Name and No. Hickory ALV Federal #6
	9. API Well No. 30-015-28312
	10. Field and Pool, or Exploratory Area Indian Basin Upper Penn Assoc. Pool
	11. County or Parish, State Eddy County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other EXTEND APD
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to extend the above captioned well for
one year.
Thank you.

APPROVED FOR 12 MONTH PERIOD
ENDING 1/17/97

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

Signed

Joe G. Lara

Title Landman

Date 1-8-95

(This space for Federal or State office use)

(ORIG. SCD.) JOE G. LARA

Approved by

Conditions of approval, if any:

Title

PETROLEUM ENGINEER

Date

1/24/96

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

H.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

Lease Designation and Serial No.
NM-78215

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Hickory ALV Federal #6

9. API Well No.

30-015-28312

10. Field and Pool, or Exploratory Area
Indian Basin Upper Penn
Associated Pool

11. County or Parish, State

Eddy County, New Mexico

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 South Fourth Street, Artesia, New Mexico 88210 (505) 748-1471

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

1980' FSL and 1090' FEL
Section 18, T22S-R24E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Extend APD
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to extend the APD for the captioned well for another year.

APPROVED FOR 12 MONTH PERIOD
ENDING 1/17/98

JAN 15 8 06 AM '97

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

Signed

Title Landman

Date 12/31/96

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title PETROLEUM ENGINEER

Date JAN 15 1997

Conditions of approval, if any:

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 South Fourth Street, Artesia, New Mexico 88210 (505) 748-1471

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

1980' FSL and 1090' FEL
Section 18, T22S-R24E

5. Lease Designation and Serial No.
NM-78215

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Hickory ALV Federal #6

9. API Well No.

30-015-28312

10. Field and Pool, or Exploratory Area
Indian Basin Upper Penn
Associated Pool

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other EXTEND APD

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion or Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to January 17, 2000.

Thank you.

APPROVED FOR 12 MONTH PERIOD

ENDING 1/17/2000

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

Signed

[Signature]

Title

Regulatory Technician

Date

December 1, 1998

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Petroleum Engineer

Date

1/5/1999

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000RECEIVED
OCD ARTS
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.

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-78215
2. Name of Operator YATES PETROLEUM CORPORATION	6. If Indian, Allottee or Tribe Name
3a. Address 105 South Fourth Street Artesia, New Mexico 88210	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (505) 748-1471	8. Well Name and No. Hickory ALV Federal #6
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL and 1090' FEL Section 18, T22S-R24E	9. API Well No. 30-015-28312
	10. Field and Pool, or Exploratory Area Indian Basin Upper Penn Associated Pool
	11. County or Parish, State Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

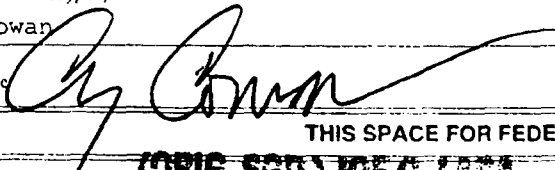
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 Extention
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	of APD.
	<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 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 January 17, 2001.

Thank you.

Approved by 12 Date Period
5/30/02

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cy Cowan	Title Regulatory Technician
Signature 	Date December 1, 1999
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by (ORIG. SCD) JOE G. LEE	Title Carlsbad Engineer
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 5/30/02 Office CARLSBAD FIELD OFFICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Oil Cons. N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

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.

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

5. Lease Serial No.
NM-78215
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/o
8. Well Name and No.
Hickory ALV Federal #6
9. API Well No.
30-015-28312
10. Field and Pool, or Exploratory Area
Indian Basin Upper Penn Assoc.
11. County or Parish, State
Eddy County, New Mexico

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 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 & 1090' FEL
Section 18, T22S-R24E

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 type="checkbox"/> Other
	<input checked="" 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 change the intermediate casing length from 3750' to 3400' for the above captioned well's APD submitted 6/18/2003 per the request of John Simitz/BLM Roswell.

Thank you.

APPROVED

JUL 25 2003

LES BABYAK
PETROLEUM ENGINEER

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

Name (Printed/Typed)

Robert Asher

Title

Regulatory Technician

Signature

Date

July 22, 2003

Approved by

Title

Date

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

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)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-ARTESIA

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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation

3a. Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)
(505) 748-1431

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1980' FSL & 1090' FEL
Section 18, T22S-R24E**

OCT - 1 2004

OCD-ARTESIA

5. Lease Serial No.

NM-78215

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Hickory ALV Federal #6

9. API Well No.

30-015-24312

10. Field and Pool, or Exploratory Area

Unknown

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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	Extend APD
	<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 recompletion 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 above captioned APD's date to July 28, 2005

Thank you.

APPROVED FOR 12 MONTH PERIOD
ENDING 7/28/05

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

Name (Printed/Typed)

Debbie L. Caffall

email: debbiec@ypcnm.com

Title

Regulatory Technician

Signature

Debbie L. Caffall

Date

June 28, 2004

Approved by

/s/ Joe G. Lara

FIELD MANAGER

Date

8 9 SEP 2004

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

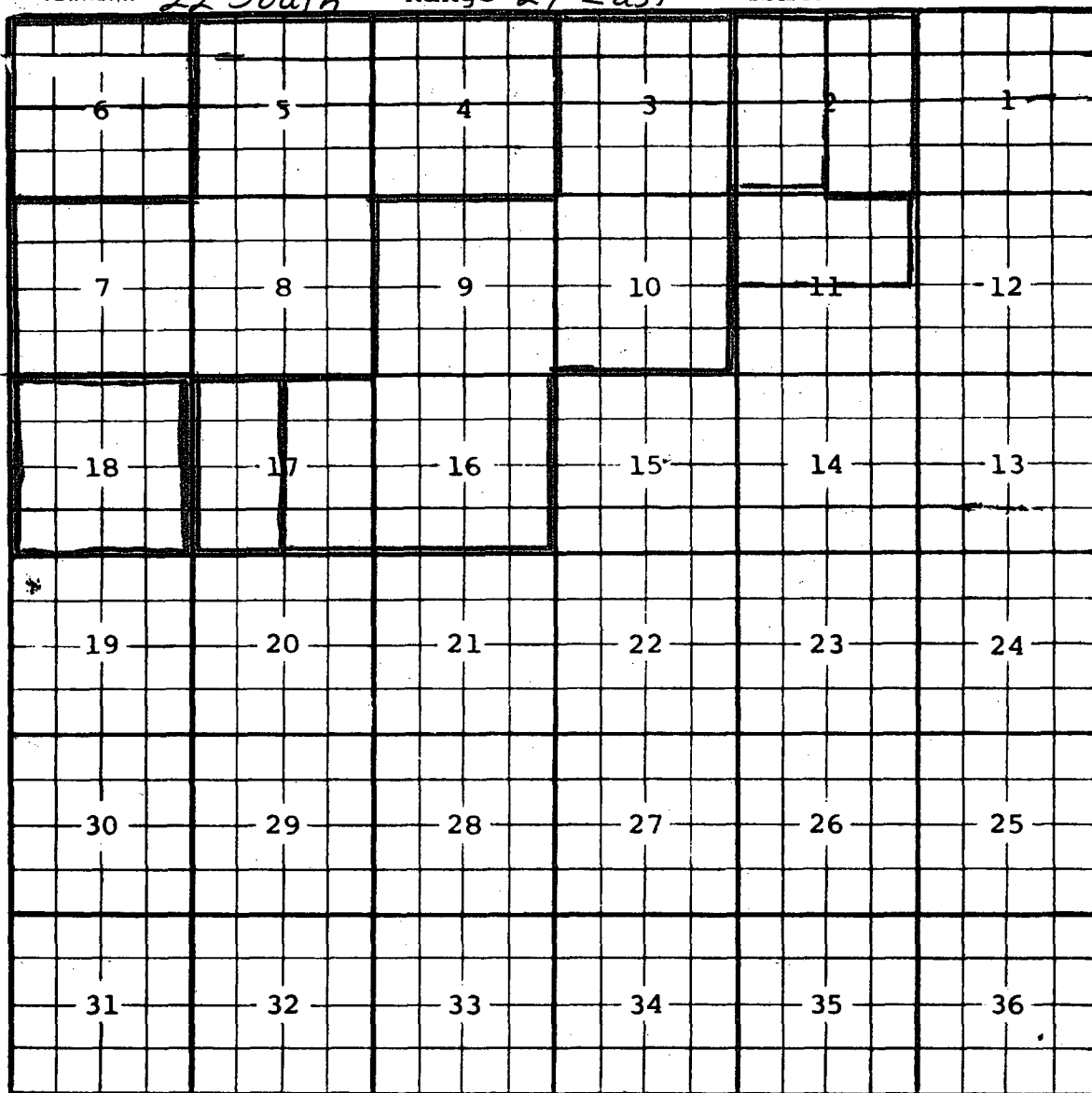
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, makes 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)

County Eddy Pool Indian Basin-Upper Pennsylvanian Associated

TOWNSHIP 22 South Range 24 East NMPM



Description: W/2 Sec. 17 (R-9922, 7-6-93)

Ext: All Secs. 3, 9, 10, and 16, E/2 Sec. 17 (R-9963, 9-20-93)

Ext: W/2 Sec. 2 (R-10042, 12-28-93) Ext: N/2 Sec. 11 (R-10124, 5-31-94)

Ext: All Secs. 4, 5, 7, and 8 (R-10132, 6-22-94) Ext: E/2 Sec. 2 (R-10159, 7-26-94)

Ext: All Sec. 6 (R-10892, 10-8-97)

Ext: All Sec. 18 (R-9922-10, 12/1/96)