

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 10 2004

OMB No. 1004-0136
Expires November 30, 2000

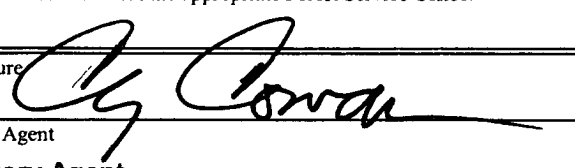
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. 32113 Arley Federal Unit #4	
2. Name of Operator Yates Petroleum Corporation 25575		9. API Well No. 30-C15-24167	
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		3b. Phone No. (include area code) (505) 748-1471 97338	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2153' FSL and 926' FEL At proposed prod. Zone LOT 10		10. Field and Pool, or Exploratory Wildcat Miss Gas	
14. Distance in miles and direction from nearest town or post office* Approximately 29 miles northwest of Carlsbad, New Mexico.		11. Sec., T., R., M., or Blk. and Survey or Area Section 1, T20S-R21E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 926'		16. No. of Acres in lease 2017.45	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1/2 mile		17. Spacing Unit dedicated to this well 320 E/2	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 425' GL		19. Proposed Depth 8250'	
22. Approximate date work will start* ASAP		20. BLM/BIA Bond No. on file 585997	
23. Estimated duration 45 Days		12. County or Parish Eddy County	
13. State NM			

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 office. |

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 5/4/04
Regulatory Agent		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date JUN 08 2004
Title ACTING FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

Acrowell Controlled Water Basin

Witness Surface Casing

115P 1891 L
79.5

☐ **AMENDED REPORT**



State of New Mexico
Energy Minerals and Natural Resources

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

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

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

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) 748-1471 mail address: _____

Address: 105 South Forth Street, Artesia, NM 88210

Facility or well name: Arley Federal Unit #4 API #: _____ U/L or Qtr/Qtr NE/SE Sec 1 T 20S R 21E

County: Eddy County Latitude N.32 35'55.9" Longitude W.104 44'31.3" NAD: 1927 ☐ 1983 X Surface Owner Federal X State ☐ Private ☐

Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume _____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

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JUN 15 2004

OOD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) N/A	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet N/A	(10 points)	0
	100 feet or more	(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.) N/A	Yes	(20 points)	
	No N/A	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) N/A	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet N/A	(10 points)	0
	1000 feet or more	(0 points)	
Ranking Score (Total Points)			0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) 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/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: June 10, 2004

Printed Name/Title Cy Cowan, Regulatory Agent

Signature Cy Cowan

Your certification and NMOCD 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.

Approval:

Date: 6/17/04

Printed Name/Title Mike Bratcher / Compliance Officer

Signature Mike Bratcher



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

11 June 2004

Yates Petroleum Corp.
105 South 4th Street
Artesia, New Mexico 88210

RE:

Pit Permit - Arley Federal Unit # 4

Unit I SEC-1 T-20S R-21E

The Oil Conservation Division of Artesia is in receipt of your application for permit to drill. Construction of a pit(s) for the purpose of drilling is approved under your current "General Plan" with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Pit(s) must meet all requirements of approved plan.
5. Liner must be a minimum of 12 mil. woven.
6. Depth to groundwater may cause the pit's contents and the liner to be removed and disposed of in a manner approved by the Division.
7. Pit encapsulations must meet all specific criteria including, but not limited to:
 - A. Site evaluation
 - B. Amount of and type of cover
 - C. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
 - D. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

Van Barton

.0YATES PETROLEUM CORPORATION
Arley Federal Unit #4
2153' FSL and 926' FEL
Section 28,T20S-R21E
Eddy County, New Mexico

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

San Andres	400'	Strawn	7010'
Glorietta	1840'	Atoka	7630'
Upper Yeso	2100'	Morrow	7630'
Tubb	2810'	Middle Morrow	7870'
Lower Yeso	2940'	Lower Morrow	7955'
Abo	3460'	Base Morrow	8070'
Wolfcamp	4790'	Chester Lime	8130'
Cisco	5910'	TD	8250'

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

Water: 200' - 300'
Oil or Gas: All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 5000 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>Thread</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-350'	350'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-1600'	1600'
8 3/4"	5 1/2"	17#	J-55	LT&C	0-100'	100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	100'-6800'	6700'
8 3/4"	5 1/2"	17#	J-55	LT&C	6200'-8250'	1450'

Yates Petroleum Corporation requests a variance to install a rotating head on the surface casing strings when intermediate casing will be set. If a BOP system is required then we wish to install a 2M system and receive a variance to test the system to 1000# using the rig pumps. The test will be held for 30 minutes on each system component. Components to be tested include pipe rams, blind rams, and annular preventer.

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

B. CEMENTING PROGRAM:

Surface casing: 300 sacks "C" + 2% CaCl₂ (YLD 1.32 WT 15.6)

Intermediate Casing: 500 sx Lite (YLD 2.0 WT 12.5). Tail in with 200 sx "C" + 2% CaCl₂ (YLD 1.32 WT 15.6)

Production Casing: TOC 1100'. 2250 sacks Super "H" Modified (YLD 1.67 WT 13.0)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 350'	FW/Air Mist	8.4	28	N/C
350'-1600'	FW/Air Mist	8.4	28	N/C
1600'-7300'	Cut Brine/4% KCL	8.6-9.2	28	N/C
7300'-8250'	Salt Gel/Starch	9.2-9.8	32-38	<10cc

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' out from under intermediate casing to TD.

Logging: Platform Express-HALS, Possible FMI, Rotary Sidewall cores.

Coring: None Anticipated.

DST's: As Warranted, possible Abo, Wolf Camp, Lower Morrow.

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

Anticipated BHP:

From: 0 TO 350' Anticipated Max. BHP: 175 PSI

From: 350' TO 1600' Anticipated Max. BHP: 700 PSI

From: 1600' TO 8250' Anticipated Max. BHP: 4050 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 10 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Arley Federal Unit #4
2153' FSL AND 926' FEL
Section 1, T20S-R21E
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 29 miles Northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia of Highway 285 to Rock Daisy Road. Turn west on Rock Daisy and go to Armstrong Road. Turn south on Armstrong Road (CR 12) and go to the intersection of Armstrong Road and Deer Canyon Road (CR 24). Go down Deer Canyon Road for approx. 2 miles to a cattleguard. Continue for approx. .7 of a mile to an old two track going right. Follow two track along top of the ridge for approx. 1 mile. Road will "T". Turn right and follow two track to a cattle guard. Continue through cattleguard for approx. 1 mile. Road will come off top of ridge and cross Deer Canyon. Follow lease road to the Buckaroo AYG Federal #1 well location. The new road will start here from the north side of the location following a two track road going east.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately .8 of a mile in length from the point of origin to the southeast corner of drilling pad. The road will lie in an easterly then north 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. Traffic turnouts may be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same 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.

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:

The dirt contractor will acquire any materials from the closest source at the time of construction of the well pad.

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 land fill. 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 600' x 600' 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 within 90 days after abandonment.

11. SURFACE OWNERSHIP: 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:

Cy Cowan, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

B. Through Drilling Operations,
Completions and Production:

Pinson McWhorter, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

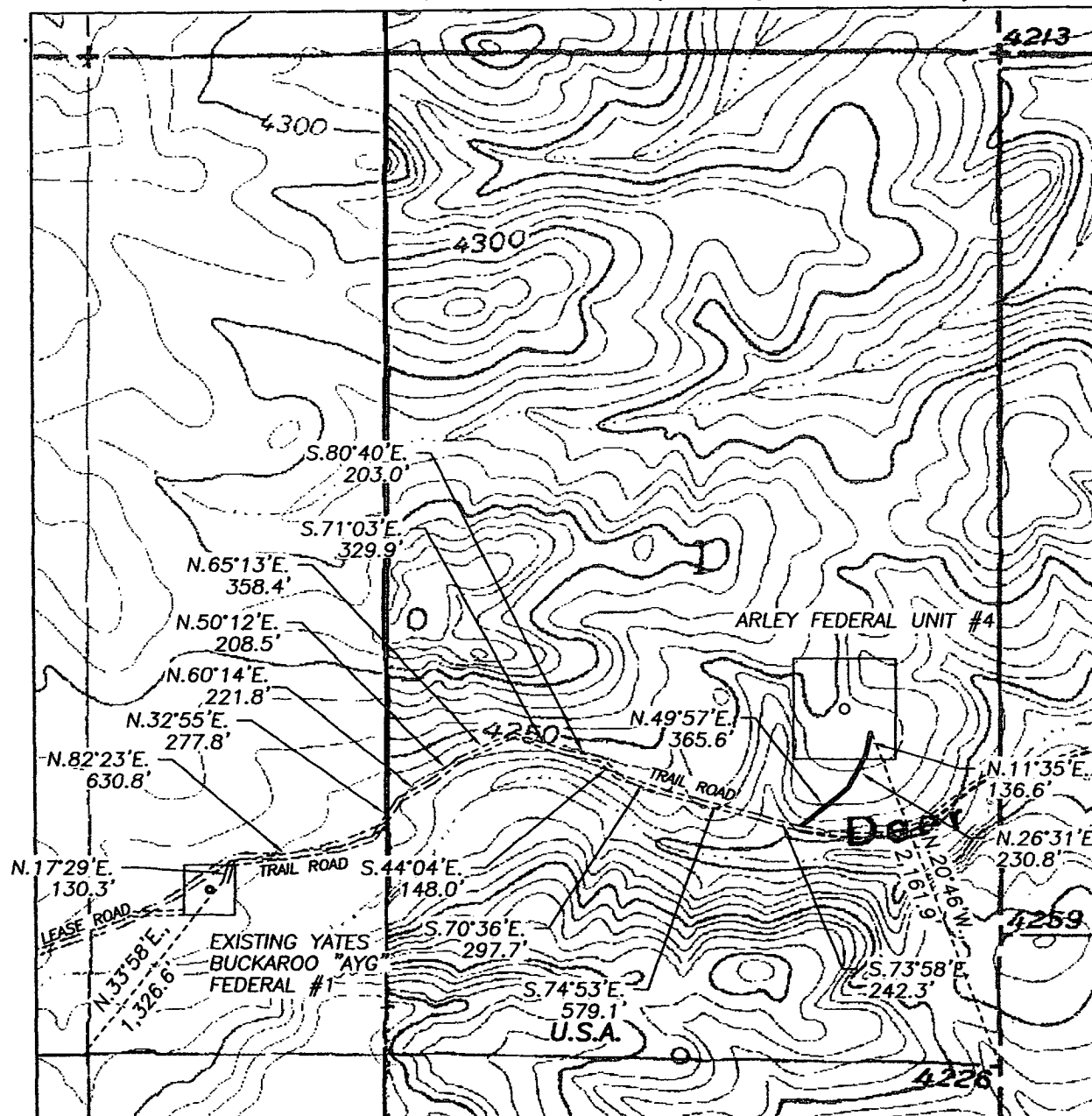
14. CERTIFICATION:

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.

5/4/04


Regulatory Agent

SECTION 1, TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



DESCRIPTION:

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE AND 4,360.6 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE EXISTING TRAIL ROAD AS SHOWN ON THIS PLAT.

TRAIL ROAD TO BE IMPROVED:

3,627.6 FEET = 219.8545 RODS, 0.6870 MILES OR 2.4983 ACRES, MORE OR LESS.

NEW LEASE ROAD:

733.0 FEET = 44.4242 RODS, 0.1388 MILES OR 0.5048 ACRES, MORE OR LESS.

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED, WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

HERSCHEL J. BLOOM R.L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES ARLEY FEDERAL UNIT #4 WELL, LOCATED IN SECTION 1, TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

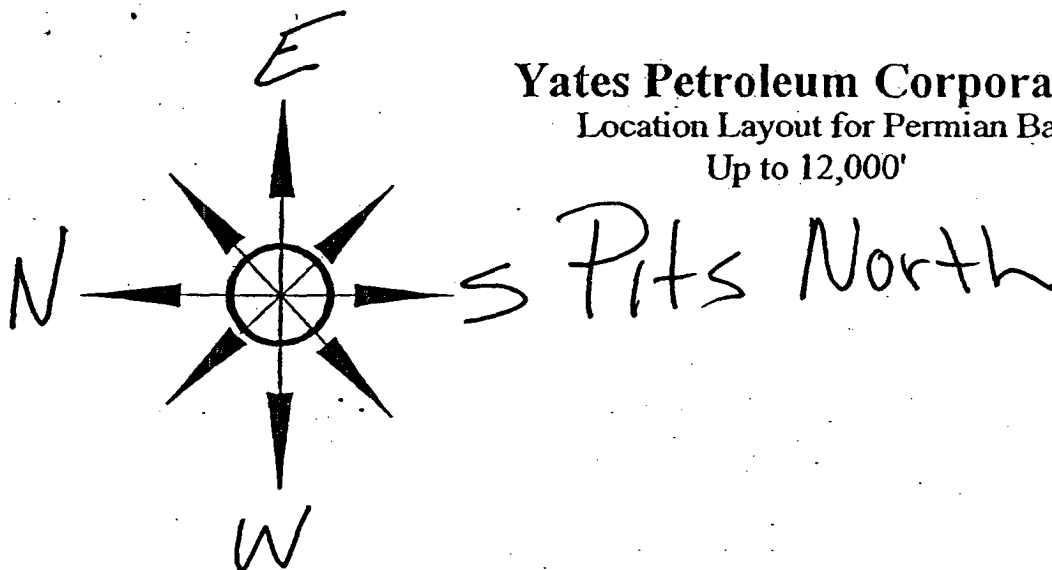
Survey Date: 4/16/2004	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/17/04	Scale 1" = 1000' ARLEY 4

PB - L1

Yates Petroleum Corporation

Location Layout for Permian Basin

Up to 12,000'



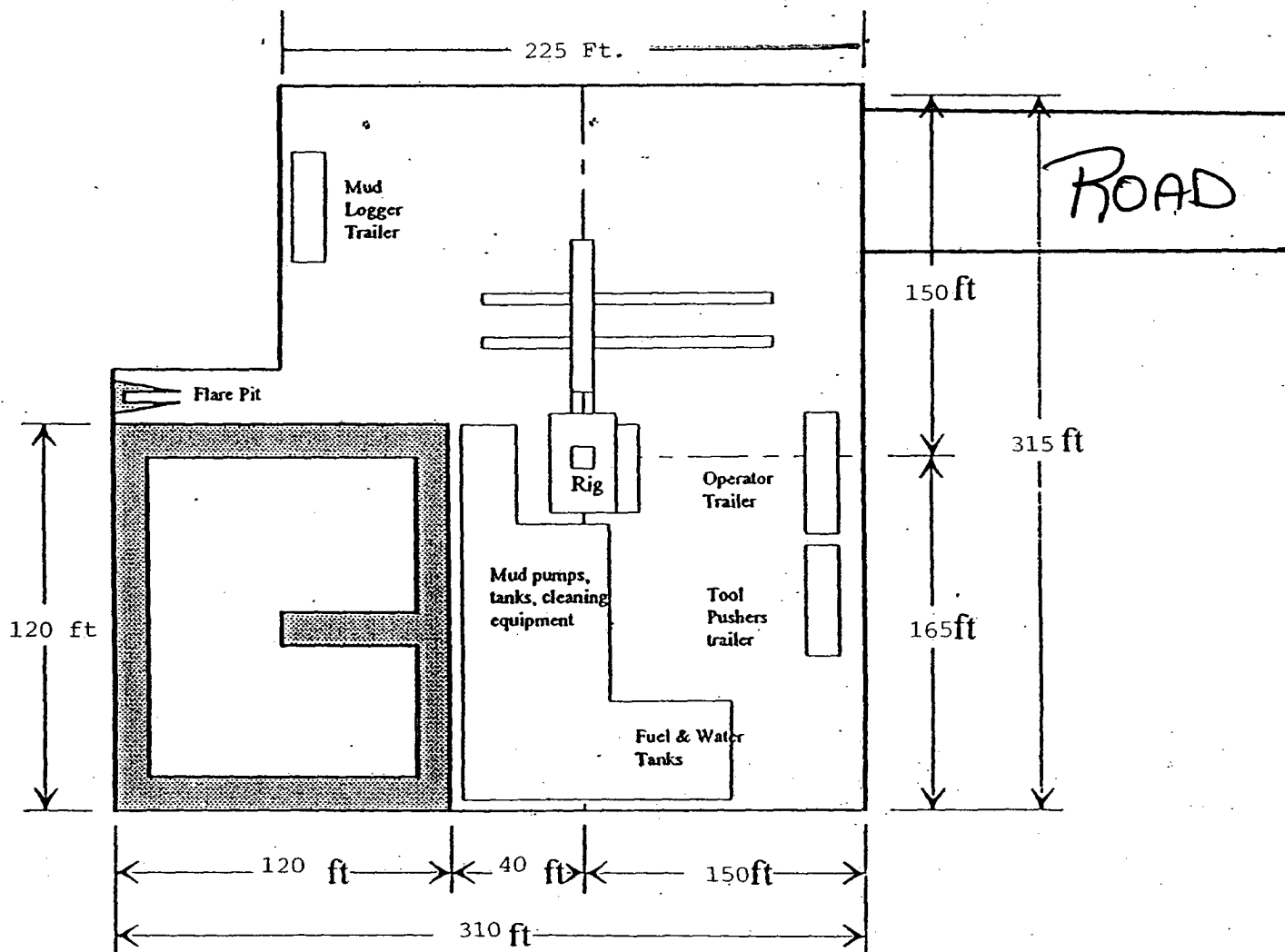
Yates Petroleum Corporation

Arley Federal Unit #4

2153' FSL and 926' FEL

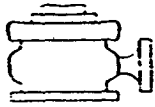
Section 1, T20S-R21E

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

BOP-4

Typical 5,000 psi Pressure System
Schematic

Annular with Double Ram Preventer Stack

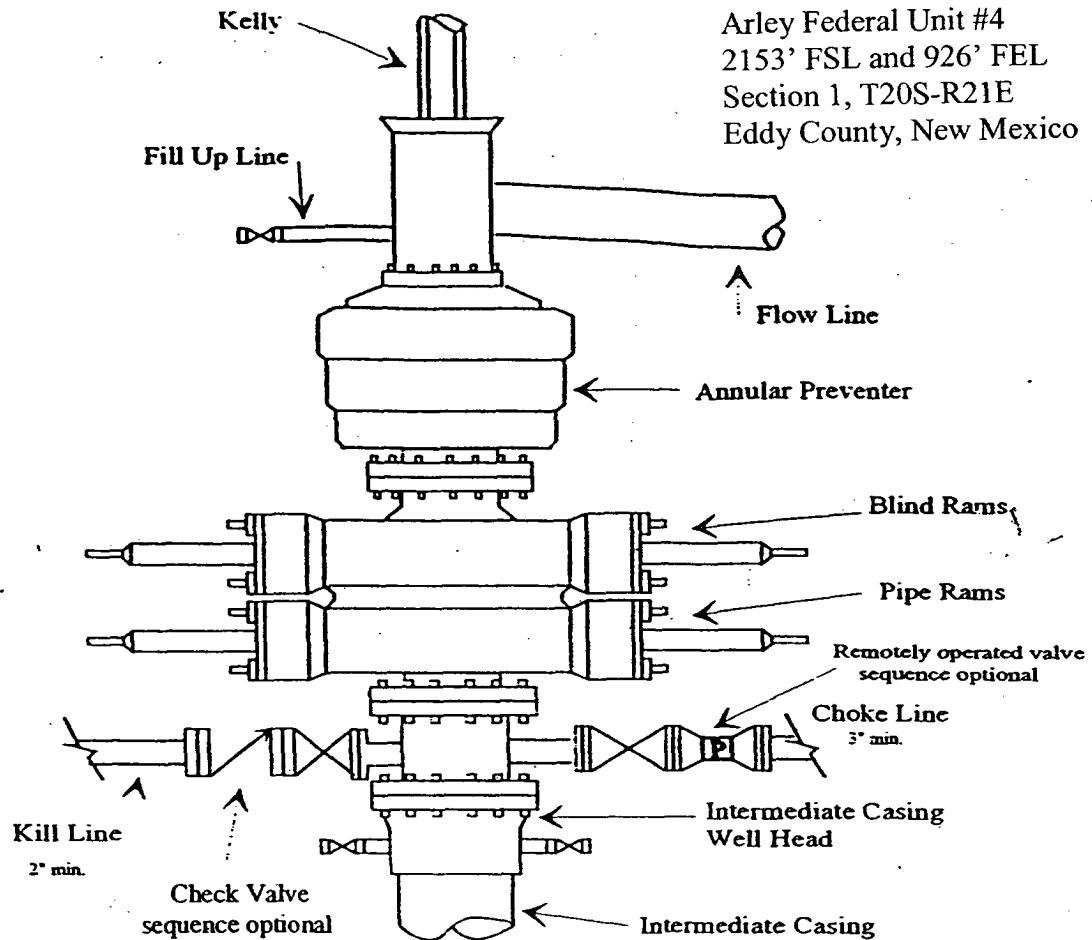
Yates Petroleum Corporation

Arley Federal Unit #4

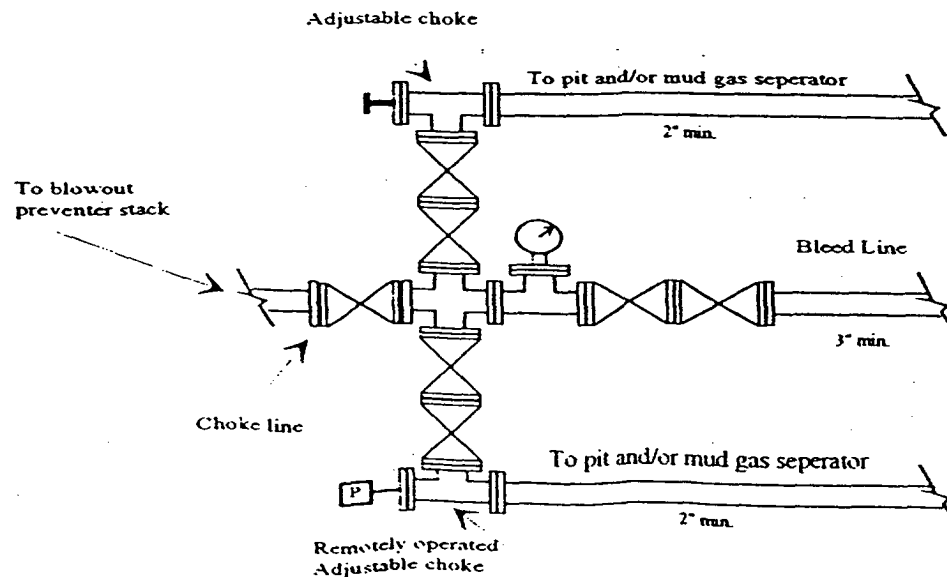
2153' FSL and 926' FEL

Section 1, T20S-R21E

Eddy County, New Mexico



Typical 5,000 psi choke manifold assembly with at least these minimum features



(1999)

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) 748-1471

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

2153' FSL and 926' FEL
Section 1, T20S-R21E

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MAY 27 2005

OCD-ARTESIA

5. Lease Serial No.

NM-103573

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Arley Federal Unit #4

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat Chester

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 Extend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	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 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 June 08, 2006.

A drilling pit will be constructed at this wellsite under Yates Petroleum Corporation general plan that was approved by the OCD. C144 attached Sources at Yates Petroleum Corporation have relayed information to me that the believe there will not be enough H2S anticipated from the surface to the Chester Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118
Thank you.

APPROVED FOR 12 MONTH PERIOD
ENDING 6/8/06

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

Name (Printed/Typed)

Debbie L. Caffall

Title

Regulatory Technician

Signature

Date

May 8, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Joe G. Lara

Title

Office

Date

MAY 24 2005

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.

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)