| APPPROVED BY DISTRICT II GEOLOGIST Conditions of approval, if any: DISTRICT II GEOLOGIST | DATE 1 4 2006 | | | | | |
|--|---|--|--|--|--|--|
| (This space for State use) APPROVED BY BRYAN G. ARRANT TITLE | The A COCC | | | | | |
| Type or print name Cy Cowan E-mail address: cy@ypcnm.com (505) 748-4372 | | | | | | |
| SIGNATURE TITLE Regulatory Agent / Land Department DATE June 28, 2006 | | | | | | |
| grade tank has been/will be constructed or closed according to NMOCD guidelines 🔲, a general permit 🖾 or an (attached) alternative OCD-approved plan 🗀 | | | | | | |
| I hereby certify that the information above is true and complete to the best of my knowledge. | | | | | | |
| H2S contingency plan attached. | | | | | | |
| Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with an approved general permit on file. | | | | | | |
| or recompletion. Yates Drilling Company request to extend the captioned well's APD expiration date for one (1) years. | | | | | | |
| of starting any proposed work). SEE RULE 1103. For Multiple Completions: | | | | | | |
| OTHER: OTHER: External OTHER: External OTHER: OTHER | | | | | | |
| COMPLETION CEMENT JOB | | | | | | |
| PULL OR ALTER CASING MULTIPLE CASING TEST | ABANDONMENT AND | | | | | |
| TEMPORARILY ABANDON | DRILLING OPNS.□ PLUG AND □ | | | | | |
| NOTICE OF INTENTION TO: SUPERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WO | JBSEQUENT REPORT OF: ORK ☐ ALTERING CASING ☐ | | | | | |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Othe | | | | | | |
| feet from theline andfeet from theline | | | | | | |
| Distance from nearest surface water 1000' or more Below-grade Tank Location UL Sect | TwpRng; | | | | | |
| Pit Location: UL O Sect 23 Twp 18S Rng 24E Pit type Drilling Depth to Groundwater 4 | • | | | | | |
| Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be atta | ched) | | | | | |
| 11. Elevation (Show whether DR, RKB, RT, GR, e | AND THE RESIDENCE OF THE PARTY | | | | | |
| Section 23 Township 18S Range 24E | NMPM Eddy County | | | | | |
| Unit Letter_O : 660 feet from the South line and 1660 | _feet from theEastline | | | | | |
| 4. Well Location | | | | | | |
| 105 South Fourth Street, Artesia, NM, 88210 | Penasco Draw; Morrow (GAS) 82770 | | | | | |
| Yates Petroleum Corporation JUN 3 0 2006 3. Address of Operator | 025575 10. Pool name or Wildcat | | | | | |
| 2. Name of Operator | 9. OGRID Number | | | | | |
| Oil Well Gas Well Other BECEIVED | 1 | | | | | |
| PROPOSALS.) 1. Type of Well: | 8. Well Number | | | | | |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH | Goldfinger BGV State Com. | | | | | |
| 87505 SUNDRY NOTICES AND REPORTS ON WELLS | 7. Lease Name or Unit Agreement Name | | | | | |
| 1220 S. St. Francis Dr., Santa Fe, NM | 6. State Oil & Gas Lease No. VO-7137 | | | | | |
| District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 South St. Francis Dr. Santa Fe, NM 87505 | STATE FEE | | | | | |
| 1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERVATION DIVISION | 5. Indicate Type of Lease | | | | | |
| 1625 N. French Dr., Hobbs, NM 88240 District II | WELL API NO. 30-015-34245 | | | | | |
| Office District I State of New Mexico Energy, Minerals and Natural Resources | Form C-103 March 4, 2004 | | | | | |
| Sugmit 3 Copies To Appropriate District State of New Meyico | | | | | | |

Yates Petroleum Corporation

105 S. Fourth Street Artesia, NM 88210

Hydrogen Sulfide (H₂S) Contingency Plan

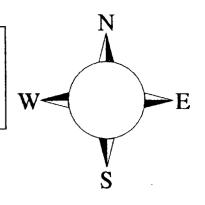
For

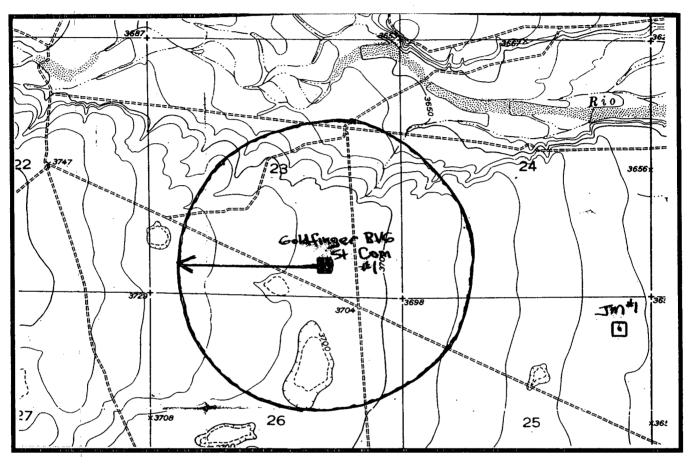
Goldfinger BGV State Com. #1

660' FSL, 1600' FEL Section 23, T-18S, R-24E Eddy County NM

Goldfinger BGV State Com. #1 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.





Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

| Common Name | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentr- ation |
|---------------------|---------------------|---------------------|--------------------|--------------------|------------------------------|
| Hydrogen Sulfide | H ₂ S | 1.189 Air = 1 | 10 ppm | 100 ppm/hr | 600 ppm |
| Sulfur Dioxide | \$O₂ | 2.21 Air = 1 | 2 ppm | N/A | 1000 ppm |

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Yates Petroleum Corporation Phone Numbers

| YPC Office | (505) 748-1471 |
|---|----------------------------------|
| Pinson McWhorter/Operations Manager | ` ' |
| Dorral Atlang/Production Manager | (505) 748 4204 |
| Ron Beasley/Prod Superintendent | (505) 748-4210 |
| Al Springer/Drilling | (505) 748-4225 |
| Paul Hanes/Prod. Foreman/Roswell | (505) 624-2805 |
| Jim Krogman/Drilling Superintendent | (505) 748-4215 |
| Artesia Answering Service | |
| (During non-office hours) | (303) 740 4302 |
| Agency Call List | |
| Eddy County (505) | |
| Artesia | |
| State Police | 746-2703 |
| City Police | |
| Sheriff's Office | |
| Ambulance | |
| Fire Department | |
| LEPC (Local Emergency Planning Committee) | |
| NMOCD. | |
| | |
| Carlsbad | |
| State Police | 885-3137 |
| City Police. | |
| Sheriff's Office | |
| Ambulance | |
| Fire Department | |
| LEPC (Local Emergency Planning Committee) | |
| US Bureau of Land Management | |
| Ob Darout of Build Haufugoinoite | 007-05-4 |
| New Mexico Emergency Response Commission (Santa Fe) | (505)476-9600 |
| 24 HR | ` , |
| New Mexico State Emergency Operations Center | |
| National Emergency Response Center (Washington, DC) | |
| National Emergency Response Center (Washington, DC) | (800) 424-8802 |
| Other | |
| D | |
| Boots & Coots IWC1-800-256-9688 or (281) 931-8884 | |
| Cudd Pressure Control(915) 699-0139 or (915) 563-3356 | |
| Halliburton(505) 746-2757 | |
| B. J. Services(505) 746-3569 | |
| Flight For Life -4000 24th St, Lubbock, TX(| 206) 742 0011 |
| Aerocare -Rr 3 Box 49f, Lubbock, TX | (206) 743-3311 (206) 747-2022 |
| Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM | (505) 141-0323 (505) 812-1122 |
| S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM | |
| 5 D 1 in whod 5 vo 2505 Clark Carl Loop SE, Aroug, 1919 | JUJ 042-1343 |