

UNITED STATES N.M. Oil Cons. DIV-Dist. 2
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1901 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-101579
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (575) 748-1471	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1,980' FEL, Unit Letter J Section 6, T12S-R27E		8. Well Name and No. Quarterback BQG Fed. Com. #1
		9. API Well No. 30-005-64138
		10. Field and Pool, or Exploratory Area Wildcat
		11. County or Parish, State Chaves County, NM

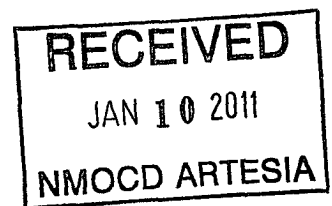
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 Variance
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation respectfully requests a variance to omit the mud gas separator on this well.

Variance Granted To Onshore Order No. 2 Part III.C.8. "A Mud-Gas Separator (Gas Buster) Shall Be Installed And Operable For All Systems Of 10M Or Greater And For Any System Where Abnormal Pressure Is Anticipated Beginning At A Point At Least 500 Feet Above Any Anticipated Hydrocarbon Zone Of Interest" Because The BOPE Required For Drilling Quarterback BQG Federal Com Well No. 1 Is 2M System And Abnormal Pressure Is Not Anticipated.



Thank-You,

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

Name (Printed/Typed) Jeremiah Mullen	Title Well Planner
Signature 	Date October 27, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by /S/ DAVID R. GLASS	Title PETROLEUM ENGINEER	Date JAN 04 2011
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.		

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.

