N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

united states Artesia, NM 88210 FORM APPROVED Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-36715 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil Gas Blackwater ACX Federal #1 Well Well Other 2. Name of Operator 9. API Well No. Yates Petroleum Corporation 30-005-62946 3.Address and Telephone No. 10. Field and Pool, or Exploratory Area RECEIVED 105 South 4th Street, Artesia, NM 88210 (505) 748-1471 Pine Lodge/Abo 4. Location of Well (Footage, Sec., T., R., M., or Survey Description 11. County or Parish, State 1980' FSL & 660' FEL (NESE) Sec-7-T9S-R22E Chavez County, New Mexico OCUMENTEDIA CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water Other

(Note: Report results of multiple completion on Well completion or Recompletion or Recompletio

Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 0-5 Bbls of water per day from the Pine Lodge/Abo. The water will be stored in a 210 Fbgls tank and will be trucked by Stone Water Service to the Pathfinder AFT #7. Located at 21-10S-27E. Order SWD-#394. If the system is down it will be trucked by the lowest bid company.

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14. I hereby certify that the foregoing is true and correct Signed Signed	Title-Production Secretary	Date_November 9, 2004
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title	Date

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.