`Form 3 160-5 FORM APPROVED **UNITED STATES** D-ARTESIA OMB No. 1004-0135 (August 1999) DEPARTMENT OF THE INTE Expires Jnovember 30, 2000 BUREAU OF LAND MANAGEMENT Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM-92145 not use this form for proposals to drill of 100016612an 6. If Indian, Allottee or Tribe Name oned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/o Type of Well Oil Well X Gas Well Well Name and No. Other Name of Operator Gumby BAG Federal #2 **Yates Petroleum Corporation** API Well No. Address 30-015-33681 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Wildcat Mississippian (96068) 660' FSL AND 1100' FWL. Unit M 11. County or Parish, State Section 17, T19S-R23E Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Production (Start/Resume) Water Shut-Off Acidize Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Other Extend Casing Repair Recomplete APD Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Plug Back Convert to Injection 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 recomplete 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 captioned well's APD expiration date for one (1) year to November 22, 2007. (C-144 attached)

H2S Contingency plan per Rule 118 is attached.

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APPROVED FOR 10 MONTH PERIOD ENDING 1-22-07

	that the foregoing is true and correct	_		
Name (Printed(Typed) Email		mail: cy@ypcnm.com		
		Regulatory Agent / Land Department		
Signature Date October 2		e ober 20, 2006		
	THIS	SPACELEOR FEDE	RAL OR STATE USE	
Approved by	/s/ James Stovall	ACTING	FIELD MANAGER	Date
		ACTING.		NOV 0 7 2006
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 F.	IELD 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 falses intitious or fraudulent statements or representations as to any matter within its jurisdiction.

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Yates Petroleum Corporation

105 S. Fourth Street Artesia, NM 88210

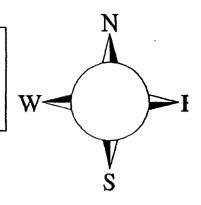
Hydrogen Sulfide (H₂S) Contingency Plan

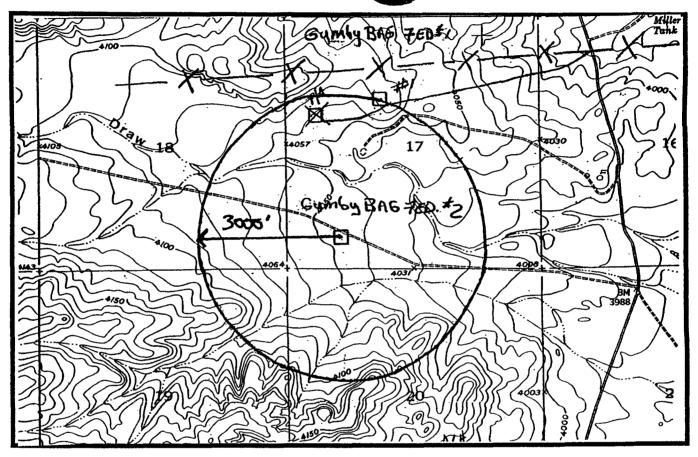
For

Gumby BAG Federal #2

660' FSL, 1100' FWL Sec-17, T-19S, R-23E Eddy County NM

Guntroy BAG Federal #2 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.





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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 H_2S , measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S 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	SO ₂	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

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YPC Office	(505) 748-1471
Pinson McWhorter/Operations Manager	(505) 748-4189
Darrel Atkins/Production Manager	(505) 748-4204
Ron Beasley/Prod Superintendent	
Al Springer/Drilling	(505) 748-4225
	(505) 624-2805
Jim Krogman/Drilling Superintendent	
Artesia Answering Service	(505) 748-4302
(During non-office hours)	` '
Agency Call List	

Eddy County (505)

Artesia	
State Police	746-2703
City Police	
Sheriff's Office	
Ambulance	
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	
NMOCD	
Carlsbad	
State Police	
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	
New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	
National Emergency Response Center (Washington, DC)	•

Other

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(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S.R. Air Med Syc 2505 Clark Carr Loop SF, Albug, NM (505) 842-4949

State of New Mexico Amergy Minerals and Natural Resources

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

Form C-144 March 12, 2004

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

Pit or Below-Grade Tank Registration or Closure

Type of action: Registration of a pit or below-grade tank [xx] Closure of a pit or below-grade tank [
Operator: Yates Petroleum Corporation To Address: 105 South 4th Street, Artesia, NM 88210						
Facility or well name: Gumby BAG Federal #2 API #:						
County: <u>Eddy</u> LatitudeLongitude	NAD: 1927 [1983 [Surface Owner Federal [XXI State Private Indian				
Pit Type: Drilling X Production Disposal	Below-grade tank					
Workover Emergency	Volume:bbl Type of fluid:					
ined Unlined Construction material:						
iner type: Synthetic lex Thickness 12 mil Clay Volume Double-walled, with leak detection? Yes I If not, explain why not.						
Depth to ground water (vertical distance from bottom of pit to seasonal	Depth to ground water (vertical distance from bottom of pit to seasonal Less than 50 feet (20 points)					
iigh water elevation of ground water.)	50 feet or more, but less than 100 feet	(10 points)				
	100 feet or more	RECEIVED				
Vellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points) OCT 1 9 2004				
/ater source, or less than 1000 feet from all other water sources.)	No					
	Less than 200 feet	OCD-AHTESIA (20 points)				
histance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)				
rigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points)				
	Ranking Score (Total Points)	Points @ Points				
this is a pit closure: (1) attach a diagram of the facility showing the p						
site Offsite I If offsite, name of facility						
id date. (4) Groundwater encountered: No 🗌 Yes 🔲 If yes, show depth below ground surfaceft. and attach sample results. (5) Attach soil sample results						
la diagram of sample locations and excavations. sereby 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						
is been/will be constructed or closed according to NMOCD guidelines [], a general permit [XX], or an (attached) alternative OCD-approved plan [].						
inted Name/Title Cy Cowan/Regulatory Agent Signature Signature Signature Signature						
our certification and NMOCD approval of this application/closure does not relieve the operator of disbility should the contents of the pit or tank contaminate ground water or						
nerwise 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 sulations.						
te: nted Name/Title Signature						
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