

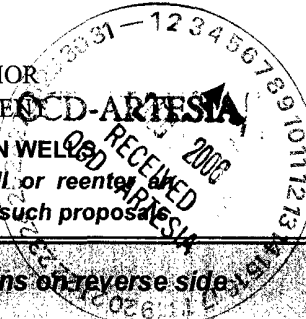
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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SUNDRY NOTICES AND REPORTS ON WELLS
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



5. Lease Serial No.
NM-45275

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Conoco AGK Federal #4 (Deepening)

9. API Well No.
30-015-26735

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Eddy County, New Mexico

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other (Deepening)

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)
660' FNL and 660' FEL, Unit A (NENE)
Section 26, T20S-R24E

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Deepening
	<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 recompleate 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 recompleation 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 request to re-enter / deepening of a TA'D Canyon well in S. Dagger Draw.

Drill out the plugs in the 9 5/8" and the 7" hole down to the original TD of 8,150', set 4 1/2" liner @ 7,600' - 9,600', cemented w/250 sx.

Attached: Drilling Prognosis, Form C-102, Wellbore Before Re-entry, Wellbore After Re-entry,
Exhibit A Map, Lease Map, C144.

Thank you.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

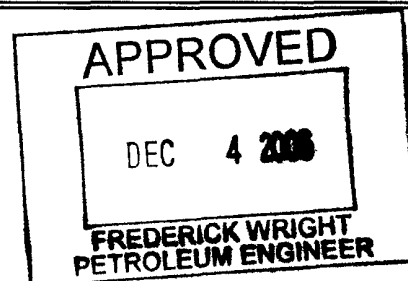
Name (Printed/Typed) Debbie L. Caffall	Title Regulatory Agent
Signature <i>Debbie L. Caffall</i>	Date November 29, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
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	

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)



YATES PETROLEUM CORPORATION
Conoco AGK Federal #4 (Re-entry Deepening)
Drilling Prognosis
Page 2

This well was originally drilled by Yates Petroleum Corporation and was TD'D in Lower Canyon at a depth of 8,150'.

Yates's plan is to re-enter and deepen of a TA'D Canyon well in S Dagger Draw. Drill out the plugs in the 9 5/8" and in the 7" hole down to the original TD of 8,150', set 4-1/2" liner @7,600' - 9,600', cemented w/250 sx.

MUD PROGRAM: a cut brine/existing fluid mud system at 0.0 to 8,150.0
Weight Min. 8.90 Weight Max. 9.20 28 - 28
a salt water gel/starch at 8,150.0 to 9,600
Weight Min 9.30 Weight Max 9.80 32 - 36 Wtr. Loss Max. 10.0

CASING PROGRAM: Liner - 9,600.0
4 1/2" production casing desgin.
7,600' to 9,600' 4 1/2" 11.6#/ft. HCP- LT&C

CEMENTING PROGRAM: Liner - 9,600.0
7,600' to 9,600' 250 SX Super H weight 13.00 Yield 1.67.

BOPE PROGRAM: 5000 # BOPE will be nipped up on existing 7" casing.

No H2s is anticipated.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

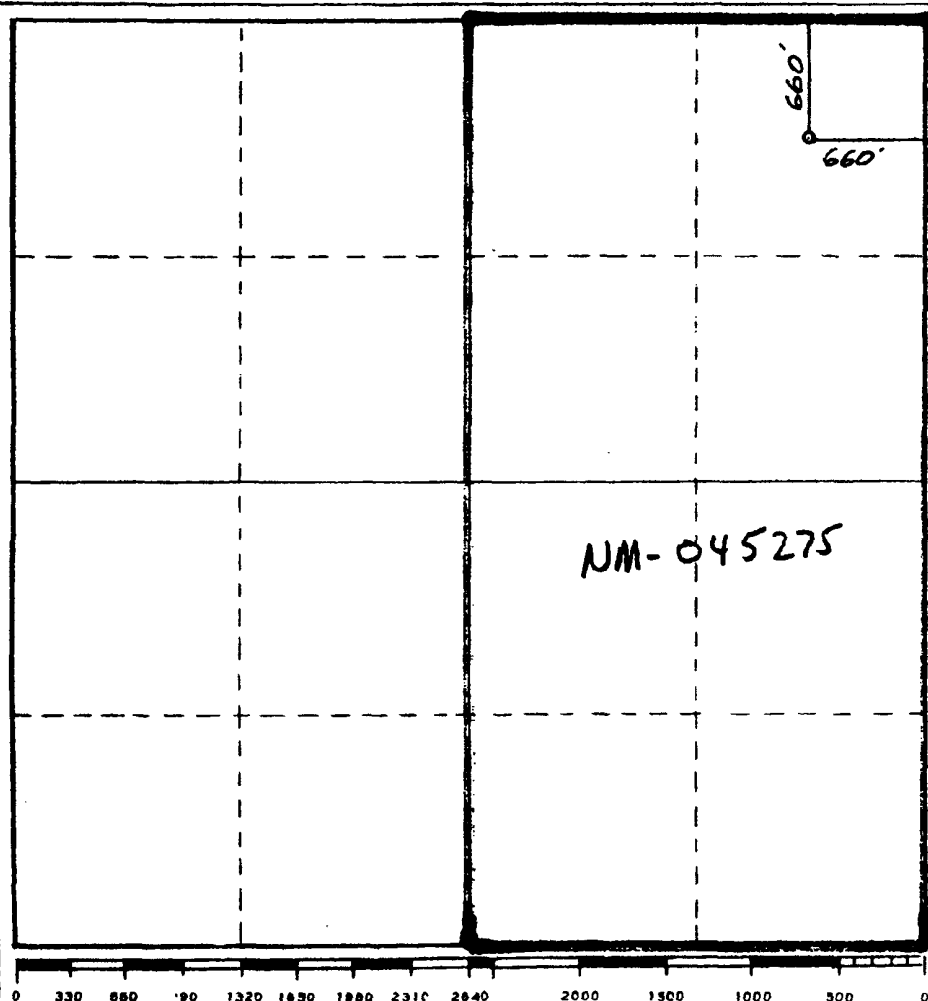
Operator YATES PETROLEUM CORPORATION			Lease Conoco AGK Federal		Well No. 4
Unit Letter A	Section 26	Township 20 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3641.	Production Formation Canyon	Pool: S. Dagger Draw Upper Penn		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
KEN BEARDEMPHL

Position
LANDMAN

Company
Yates Pet. Corp.

Date
3-25-91

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
March 18, 1991

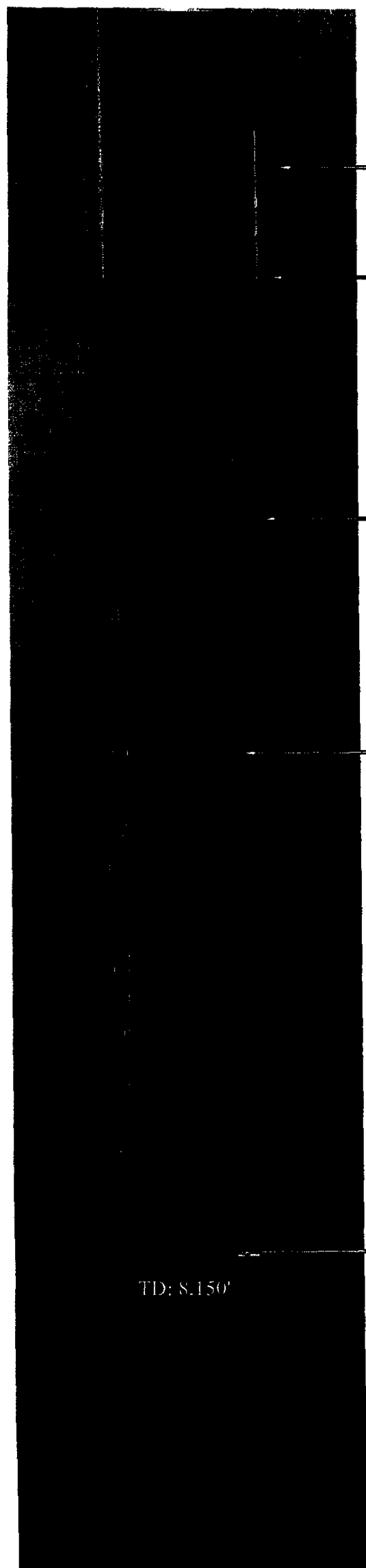
Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&PS NO. 5412

"WELLBORE BEFORE RE-ENTRY"

YATES PETROLEUM CORPORATION
Conoco AGK Deep Well #4, SEC. 26, T20S-R24E
660' N & 660' E, Eddy County, NM



14 3/4" Hole

9 5/8" @ 1,108', Cemented w/1300sx, did not circulate
one inch w/500sx in 4 stages, circulated

8 3/4" Hole

DV Tool @ 5,580'

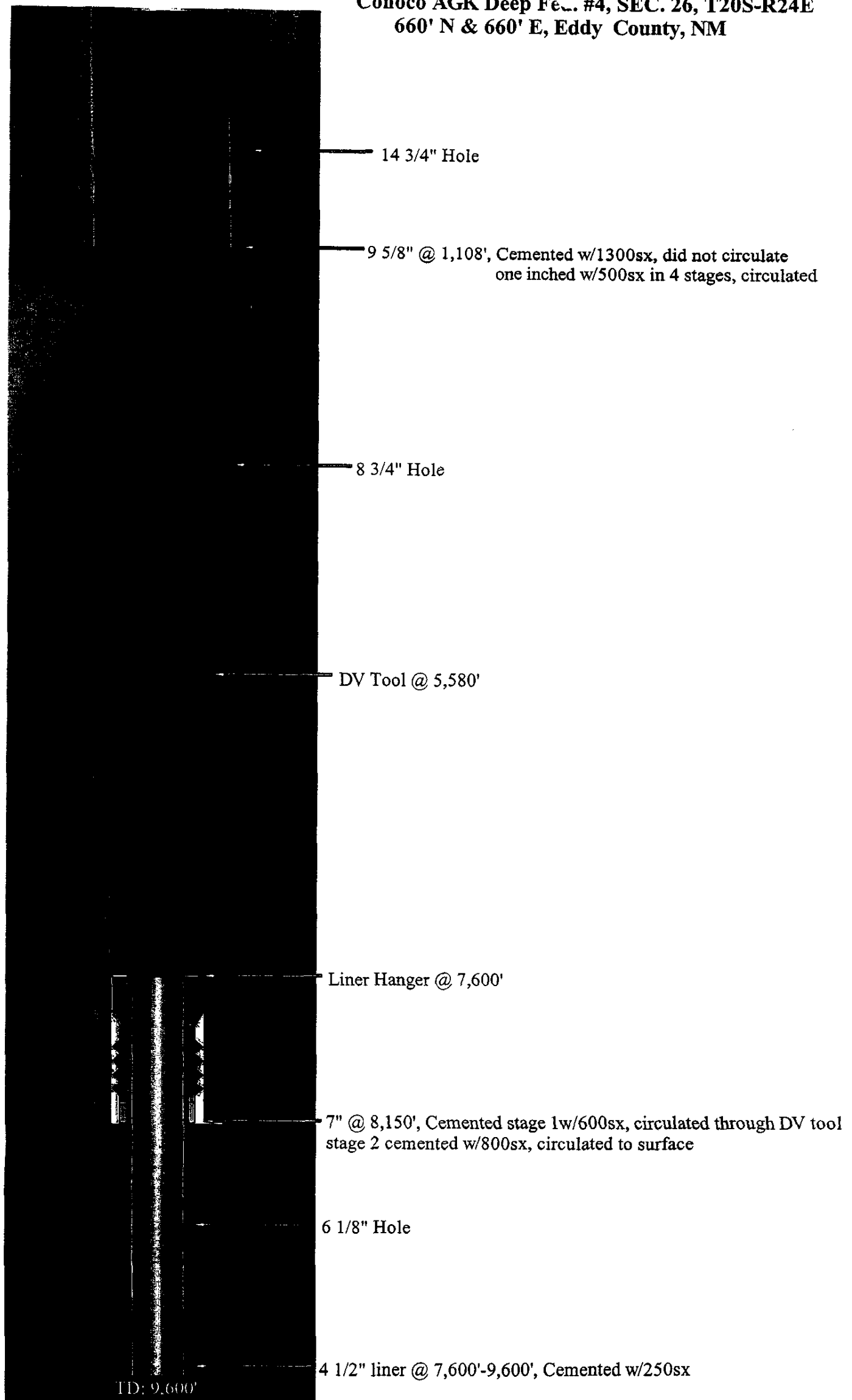
7" @ 8,150', Cemented stage 1w/600sx, circulated through DV tool
stage 2 cemented w/800sx, circulated to surface

TD: 8,150'

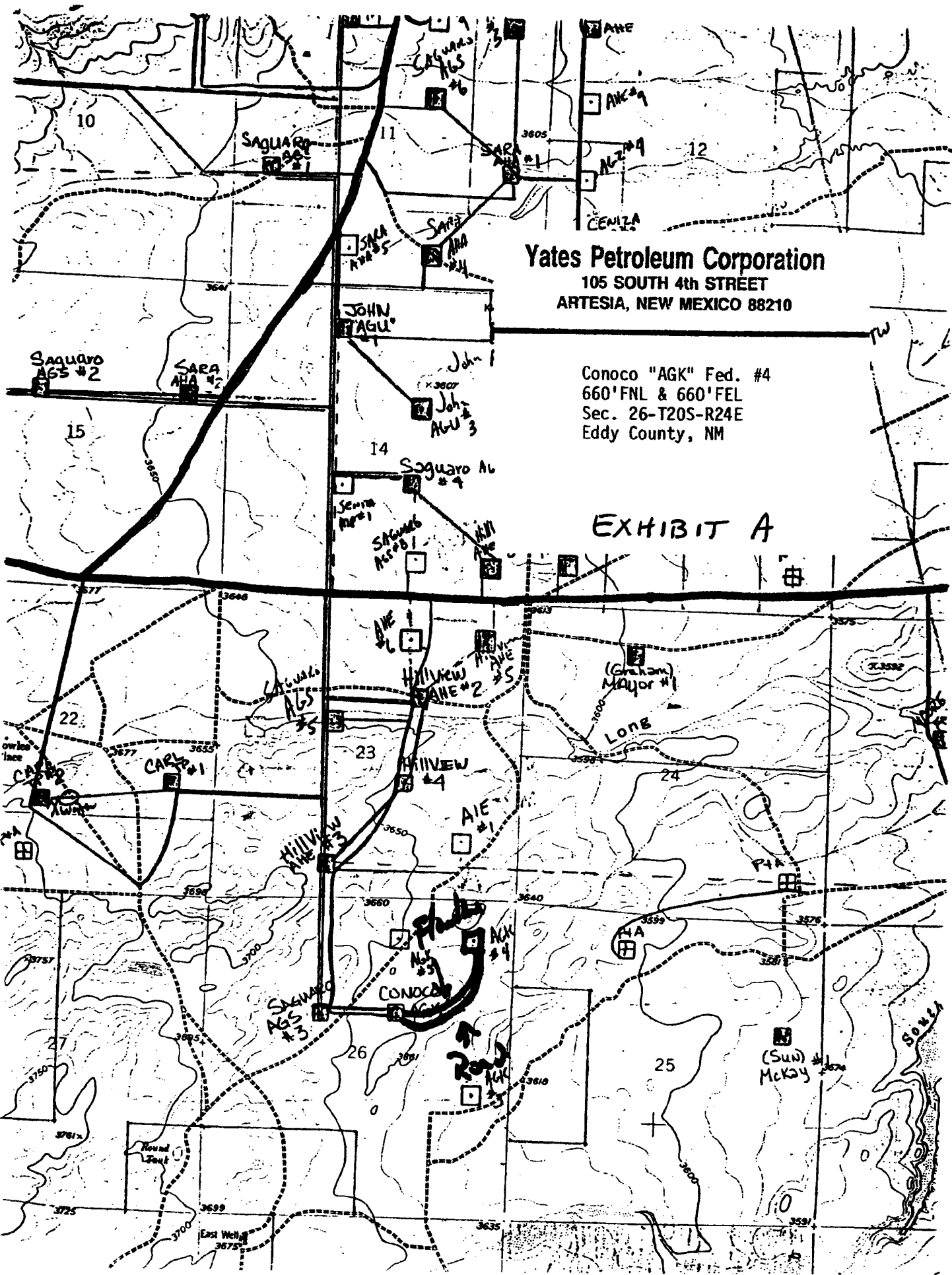
Sketch not to scale

"WELLBORE AFTER RE-ENTRY"

YATES PETROLEUM CORPORATION
Conoco AGK Deep Fe... #4, SEC. 26, T20S-R24E
660' N & 660' E, Eddy County, NM



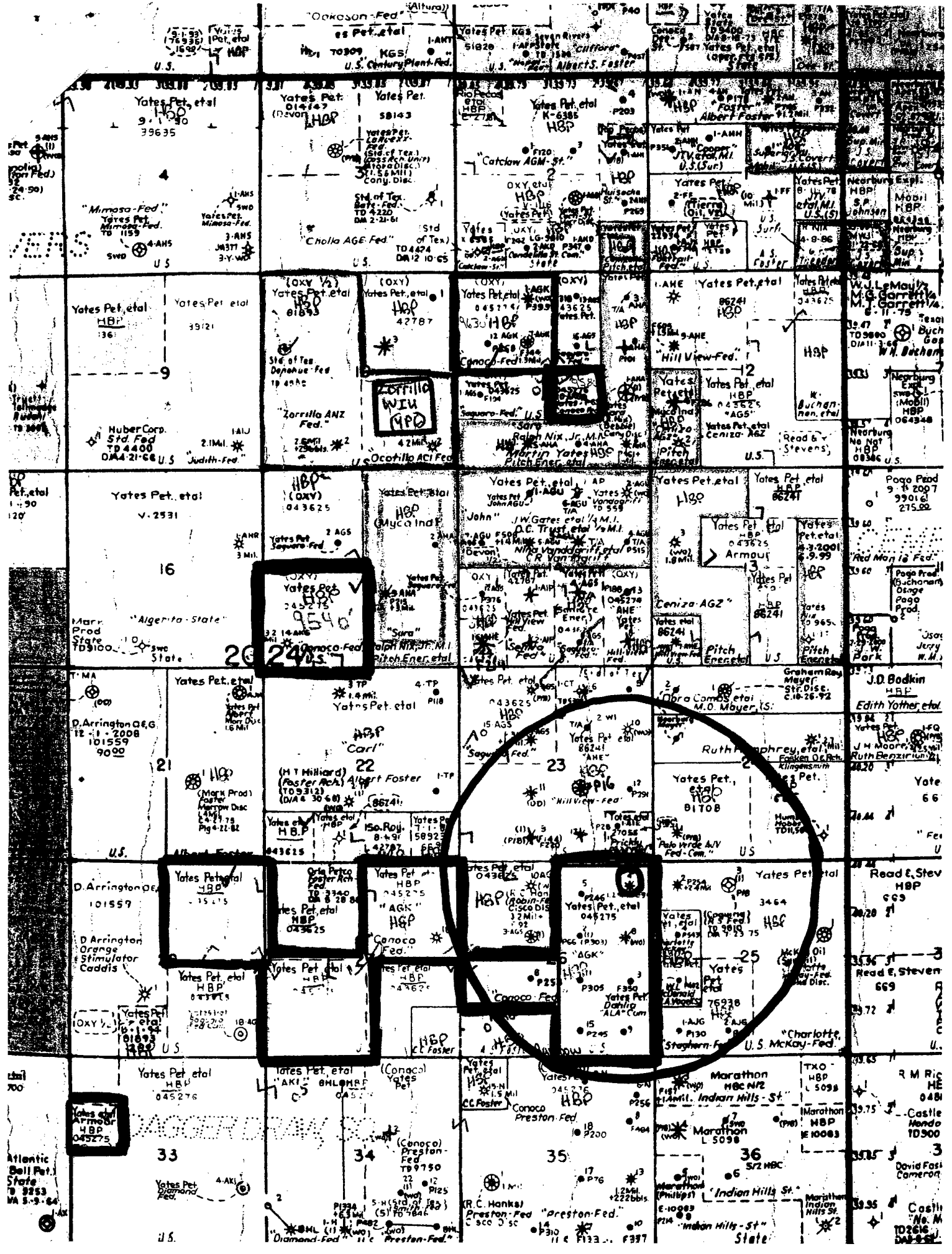
Sketch not to scale



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Conoco "AGK" Fed. #4
660' FNL & 660' FEL
Sec. 26-T20S-R24E
Eddy County, NM

EXHIBIT A



DAGGER DRAW

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District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
March 12, 2004

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

105 South Fourth Street, Artesia, NM 88210

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@ypcnm.com
Address: 104 South 4th Street, Artesia, New Mexico 88210
Facility or well name: Conoco AGK Federal #4 (Deepening) API #: 30-015-26735 U/L or Qtr/Qtr A, (NENE) Sec 26 T 20S R 24E
County: Eddy Latitude: _____ Longitude: _____ NAD: 1927 ☒ 1983 ☐ Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume
20,000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

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

Depth to ground water (vertical distance from bottom of pit to seasonal high
water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

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.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas,
irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

0 points

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: 11/21/2006

Printed Name/Title Debbie L. Caffall/Regulatory Agent

Signature Debbie L. Caffall

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: _____

Printed Name/Title _____

Signature _____

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to deepen this well to 9600' based on the following information provide by Debbie Caffall on 11/30/06:
2. The well will be deepened using 6 1/8 inch bit.
3. In addition, the well will be completed with 4½ inch 11.6# HCP-110 casing and cemented to AT LEAST 200 FEET ABOVE THE SHOE OF THE 7 INCH CASING.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 11/30/06