

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

SEP 11 2007

OCD-ARTESIA

(April 2004)

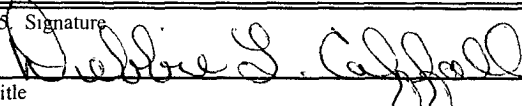
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-29623
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Not Applicable
2. Name of Operator Yates Petroleum Corporation 25575		7. If Unit or CA Agreement, Name and No. Not Applicable
3a. Address 105 South Fourth Street, Artesia New Mexico 88210		8. Lease Name and Well No. Filaree AEL Federal #6 (12277)
3b. Phone No. (include area code) (505) 748-1471		9. API Well No. 30-005-63988
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1650' FSL and 1650' FWL, Unit K, NESW At proposed prod. zone same as above		10. Field and Pool, or Exploratory Undes. Foor Ranch: Pre-Permian (76730)
14. Distance in miles and direction from the nearest town or post office* Approximately Twenty (20) miles NE of Roswell, NM		11. Sec , T., R., M., or Blk. And Survey or Area Section 26, T8S-R26E
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) 1650'	16. No. of acres in lease 1840.00	12. County or Parish Chaves County
17. Spacing Unit dedicated to this well 320 acres S/2	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3050'	13. State NM
19. Proposed Depth 6460'	20. BLM/ BIA Bond No. on file NATIONWIDE BOND #NMB000434	
21. Elevations (Show whether DF, RT, GR, etc) 3928' GL	22. Aproximate date work will start* ASAP	23. Estimated duration 30 Days
24. Attachments ROSWell CONTROLLED WATER BASIN		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file(see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the a authorized officer. |

25. Signature 	Name (Printed/ Typed) Debbie L. Caffall	Date 8/7/2007
Title Regulatory Agent		
Approved By (Signature) /s/ JOHN S. SIMITZ	Name (Printed/ Typed) /s/ JOHN S. SIMITZ	Date SEP 06 2007
Title Assistant Field Manager, Lands And Minerals		
Office ROSWELL FIELD OFFICE		
APPROVED FOR 2 YEARS		

Application approval 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 cc operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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 page 2)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

C-144 attached

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 76730	³ Pool Name Undes. Foor Ranch: Pre-Permian
⁴ Property Code 12277	⁵ Property Name FILAREE AEL FEDERAL	⁶ Well Number 6
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 3928'

¹⁰ Surface Location

UL or lot no. K	Section 26	Township 8S	Range 26E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 1650	East/West line WEST	County CHAVES
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 S/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i> 8/7/07 Signature _____ Date _____ Debbie L. Caffall Printed Name _____ Regulatory Agent Title _____
				¹⁸ SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey _____ Signature and Seal of Professional Surveyor _____ REFER TO ORIGINAL PLAT Certificate Number _____

1650'

1650'

NM-29623

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
211 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 1 Copy
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Basement
Property Code	Property Name FILAREE "AEL" FEDERAL	Well Number 6
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3928

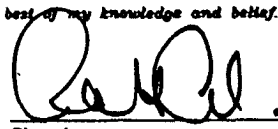
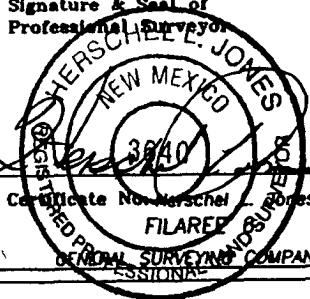
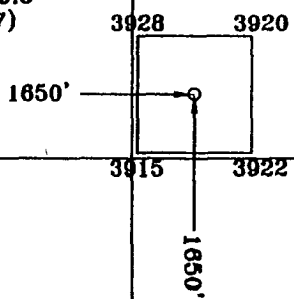
Surface Location

UL or lot No. K	Section 26	Township 8S	Range 26E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 1650	East/West line WEST	County CHAVES
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Robert Asher Printed Name Regulatory Agent Title July 20, 2005 Date	
				SURVEYOR CERTIFICATION <i>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 belief.</i> 5/05/2005 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. Herschel E. Jones RLS 3640 FILAREE PROFESSIONAL SURVEYING COMPANY	
<p>N.33°35'16.9" W.104°16'15.2" N.941423.8 E.519179.6 (NAD-27)</p>  <p>1650' 3928 3920 3915 3922 1650'</p>				NM-29623	

0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 3630' 3960' 4290' 4620' 4950' 5280' 5610' 5940' 6270' 6600' 6930' 7260' 7590' 7920' 8250' 8580' 8910' 9240' 9570' 9900' 0'

YATES PETROLEUM CORPORATION

Filaree AEL Federal #6

1650' FSL and 1650' FWL

Section 26, T8S-R26E

Chaves County, New Mexico

1. The estimated tops of geologic markers are as follows:

Seven Rivers	285'	Wolfcamp	5145'
Queen	610'	Wolfcamp B Zone	5235'
Penrose	705'	Spear Zone	5475'
Grayburg	835'	Cisco	5715'
San Andres	1100'	Strawn	5835'
Glorieta	2170'	Mississippian	6000'
Yeso	2295'	Siluro-Devonian	6085'
Tubb	3720'	Precambrian	6360'
Abo	4450'	TD	6460'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150'-200'
Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	WITNESS
12 1/4	8 5/8"	24#	J-55	ST&C	0-1100'	
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-6460'	

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80

B. CEMENTING PROGRAM:

Surface Casing: 450 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" with 2% CaCL₂ (YLD 1.33 WT 15.6). Circulate cement to surface.

Production Casing: 650 sx Pecos Valley Lite (YLD 1.42 WT 13.0). TOC approx. 4050' Sufficient to tie back 500 feet above the uppermost perforation in the pay zone.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1100'	FW GEL, Paper, LCM	8.6 - 9.5	32-35	N/C
1100'-4500'	Brine	10 - 10.2	28	N/C
4500'-6460'	Starch/Salt Gel/4-6% KCL	9.6-9.8	45-55	<6 cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples from surface to TD.

Logging: Platform Express; CNL/LDT/NGT TD-Surf Csg; CNL/GR TD-Surf; DLL/MSFL TD-Surf Csg; BHC Sonic TD-Surf Csg

Coring: None

DST's: None.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0 TO: 1100' Anticipated Max. BHP: 400 PSI

From: 1100' TO: 6460' Anticipated Max. BHP: 3400 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Filaree AEL Federal #6
1650' FSL and 1650' FWL
Section 26, T8S-R26E
Chaves County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 20 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go northeast of Roswell, NM on Hwy 70 to Ponderosa Rd. Turn right, (southeast) on Ponderosa Rd and drive approximately 4 miles the El Paso Pipeline Road. Turn right & drive approx. 0.9 of a mile to road on the left. Turn left (over pipeline) and go approx. 1.1 mile to fork in the road (stay right). Drive approximately 0.6 of a mile and turn right on lease road. Drive 0.2 of a mile to Elk Oil Jan St. #3 well and continue north on road approximately 0.2 of a mile to the Jasper ARJ Federal #1 location. The access road for the Jasper ARJ Federal #5 is staked on the left (west), turn left and follow staking for approximately 0.5 of a mile to the Jasper ARJ Federal #5 location on the right, continue west for approximately 0.5 of a mile (going through a fence) to an existing trail road, follow road approximately 0.4 of a mile and turn left, continue following trail road for 300', the new access is staked on the left, follow staking southwest for approximately 500' to the SE corner of the pad.

2. PLANNED ACCESS ROAD:

- A. The proposed access will be approximately 7,755' in length (of that approximately 2,436' is existing trail road), from the point of origin to the southeast corner of the pad. The road will lie in a east to west then a northwest direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. **Pits will be to the west.**
- B. The reserve pits will be plastic lined (12 mil. thick with an estimated volume of 24,000 bbls). Yates Petroleum Corporation is in full compliance with the OCD General Plan for Drilling Pits, approved on April 15, 2004. C-144 is attached.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

SURFACE OWNERSHIP:

Bureau of Land Management
Roswell, New Mexico 88210

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

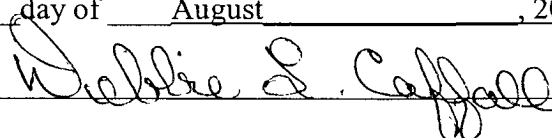
- | | |
|---|--|
| A. Through A.P.D. Approval:
Debbie L. Caffall, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.
Ray Stall, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |
|---|--|

CERTIFICATION
YATES PETROLEUM CORPORATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 7th day of August, 2007.

Name Debbie L. Caffall



Position Title Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

Telephone 505-748-4376

Field Representative (if not above signatory) Jim Krogman

Address (if different from above) Same

Telephone (if different from above) 505-748-4215

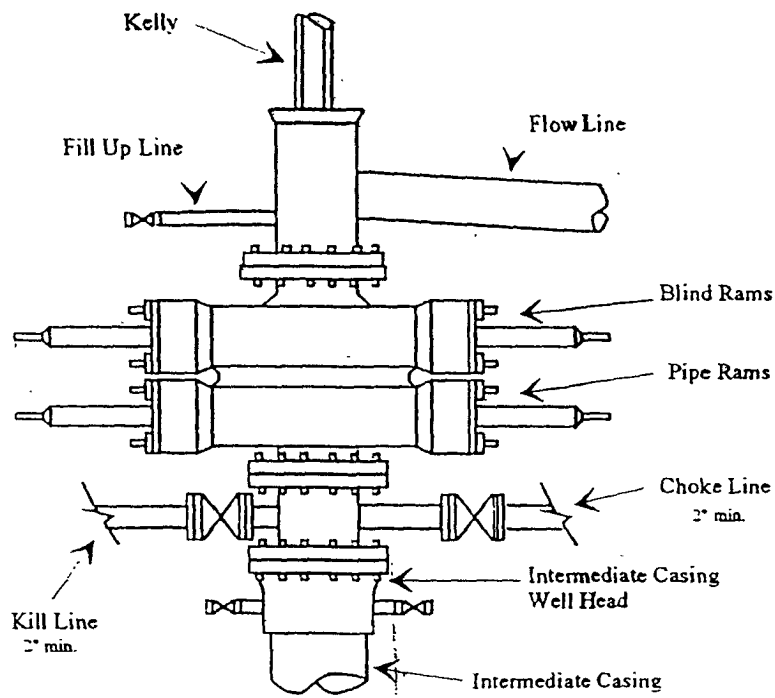
E-mail (optional) _____

Yates Petroleum Corporation

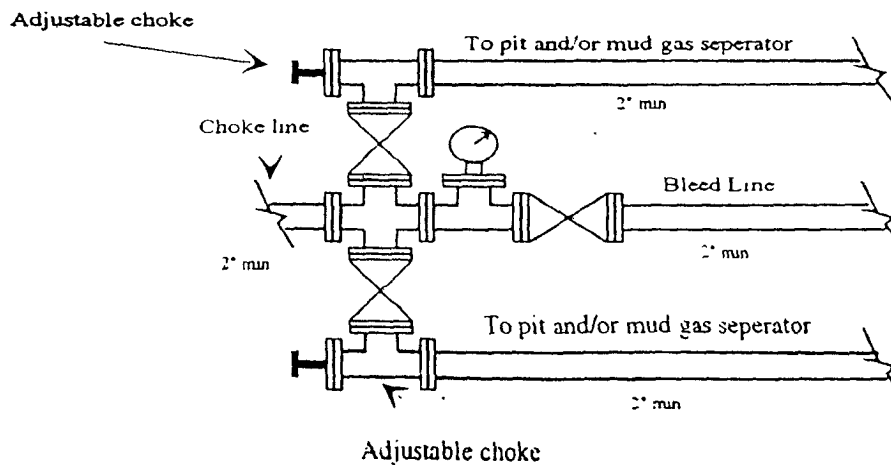
Typical 2,000 psi Pressure System Schematic

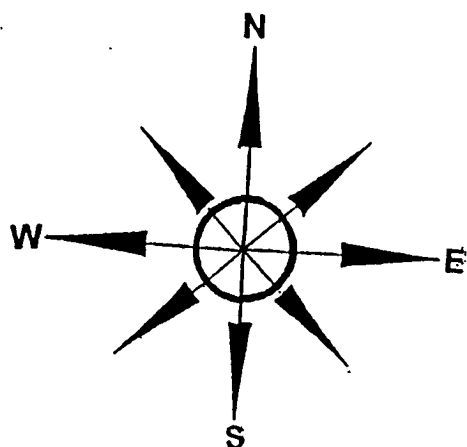
Double Ram Preventer Stack

Yates Petroleum Corporation
 Fillaree AEL Federal #6
 650' FSL and 1650' FWL
 Section 26, T8S-R26E
 Chaves County, New Mexico
 Exhibit "B"



Typical 2,000 psi choke manifold assembly with at least these minimum features





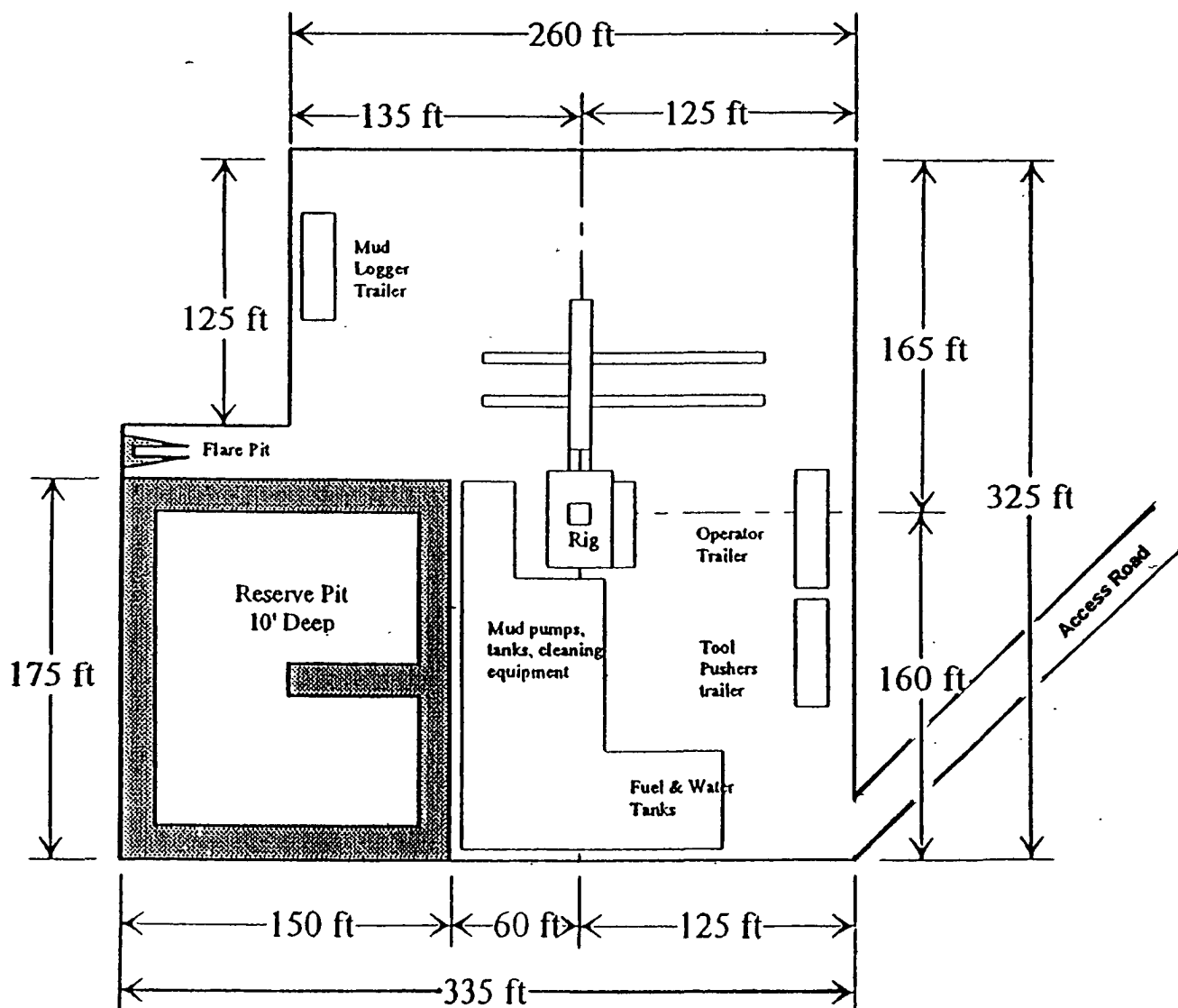
Yates Petroleum Corporation

Location Layout for Permian Basin

Up to 12,000'

PB - L1

Yates Petroleum Corporation
 Filaree AEL Federal #6
 1650' FSL and 1650' FWL
 Section 26, T8S-R26E
 Chaves County, New Mexico
 Exhibit "C"



Distance from Well
 Head to Reserve Pit
 will vary between rigs

The above dimension
 should be a maximum

EXHIBIT A

8/15/07

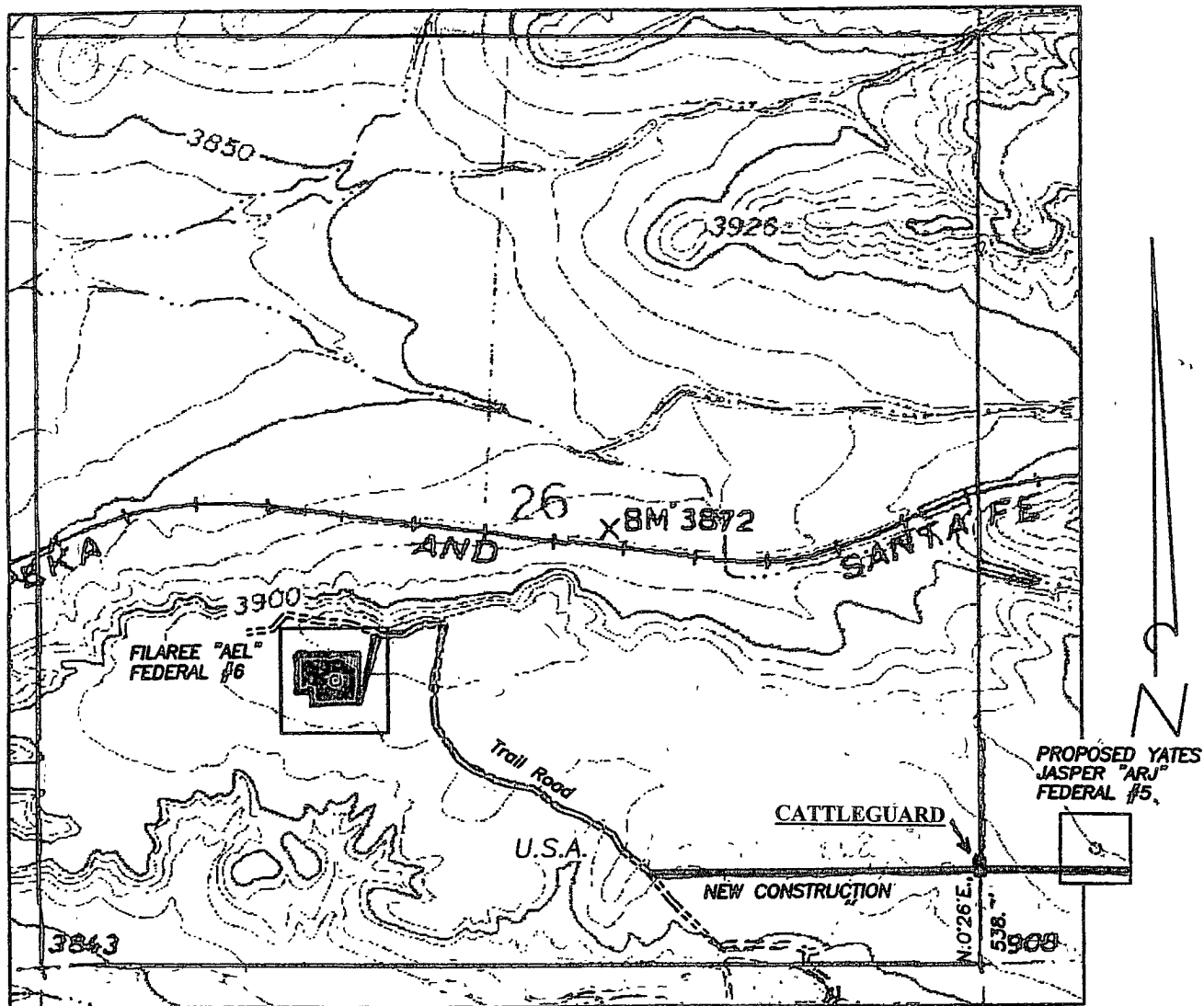
OPERATORS NAME: Yates Petroleum Corporation LEASE NO.: NM-29623

WELL NAME & NO: Filaree "AEL" Federal #6

QUARTER/QUARTER & FOOTAGE: NE¼SW¼ - 1650' FSL & 1650' FWL

LOCATION: Section 26, T. 8 S., R. 26 E., NMPM

COUNTY: Chaves County, New Mexico



V. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Chaves and Roosevelt Counties: Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (505) 627-0258. After office hours call (505) 200-7902.

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

B. CASING

1. The 8-5/8 inch surface casing shall be set at 1100 feet and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 - d. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 5-1/2 inch production casing is to reach at least 500 feet above the top of the uppermost hydrocarbon productive interval.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

Engineer on call phone (after business hours only): Roswell: (505) 626-5749

VI. PRODUCTION

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Olive Drab, Munsell Soil Color Chart 18-0622 TPX.**

VRM Facility Requirement

Low-profile tanks not greater than eight-feet-high shall be used.

VII. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

B. RESERVE PIT CLOSURE

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

Soil: Sotim-Simona association, moderately undulating
Ecological Site: Shallow Sand SD-3, Ecological Site: Sandy SD-3

Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Black grama	<i>(Bouteloua eriopoda)</i>	5.00 lbs.
or Blue grama, var. Lovington	<i>(Bouteloua gracilis)</i>	