Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAR 02 2010

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WEALS

5 Lease Senal No.

NMOCD ARTESIA NM043625 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well NMNM84622 X Other PA 8. Well Name and No Gas Well Saguaro AGS Federal Com #6 2. Name of Operator Yates Petroleum Corporation 9 API Well No 3a. Address 3b Phone No. (include area code) 30-015-26494 105 S. 4th Str., Artesia, NM 88210 575-748-1471 10. Field and Pool or Exploratory Area 4 Location of Well (Footage, Sec , T., R., M., OR Survey Description) Dagger Draw/Upper Penn 11. County or Parish, State 1980 FNL & 1980 FEL (Unit G, SWNE) Sec 11-T20S-R24E Eddy 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acıdıze Deepen Production (Start/Resume) Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity New Construction Casing Repair Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection 13 Describe Proposed of Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 0 of water per day from the Dagger Draw/Upper Penn. The water will be stored in 1-500 Fbgls tank and will be pipeline to the Mimosa Fed. SWD #4 located at Sec 4-20S-24E Order # SWD-474, or to the Mimosa Fed. SWD #3Y located at Sec 4-20S-24 Order # 645 or to the Mimosa Federal SWD #1 located at Sec 4-20S-24E Order # SWD-408, or to the Monsanto Foster SWD #1 located at 5-20S-25E Order # R-5158-B or to the King SWD #1 located at 9-20S-25E ACCEPTED FOR RECORD SUBJECT TO LIKECCEPTED for record FEB 2 6 2010 APPROVAL BY STATE NMOCD CI /s/ JD Whitlock Jr BUREAU OF LAND MANAGEMENT 14. I hereby certify that the foregoing is true and correct CARLSBAD FIELD OFFICE Name (Printed/Typed) Mayte Reves Production Clerk February 19, 2010 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Approved by 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 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