OCD Artesia UNITED STATES FORM APPROVED DEPARTMENT OF THE INTERIOR OMB No 1004-0137 **BUREAU OF LAND MANAGEMENT** Expires July 31, 2010 **SUNDRY NOTICES AND REPORTS ON WELLS** 5. Lease Serial No. NM-92146 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 6 If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1 Type of Well X Gas Well Other Oil Well 8 Well Name and No. Arley Federal Unit #1 2 Name of Operator Yates Petroleum Corporation 9 API Well No. 30-015-32684 3b. Phone No. (include area code) 3a Address 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) Wildcat; Upper Penn 11. County or Parish, State 1343'FSL & 1911'FWL of Section 6-T20S-R23E (Unit K, NESW) - Surface 713'FSL & 680'FWL of Section 6-T20S-R23E (Unit M, SWSW) - Bottomhole Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-Off Acultze Deepen Notice of Intent Alter Casing Well Integrity Fracture Treat Reclamation Casing Repair New Construction Recomplete Other Name ubsequent Report Change Plans Plug and Abandon Temporardy Abandon Change Final Abandonment Notice Convert to Injection Water Disposal Plug Back 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 perlinent 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. Former Wellname: Arley Federal Unit #1 Arley BNQ Federal #1 New Wellname: Effective 1/13/09 Denied, well was determined commercial and a participating area approved effective October 23,2003, Since well is unit well, it shall retain unit designation 14 I hereby certify that the foregoing is true and correct

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

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