N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue UNITED STATES Form 3360-5

DEPARTMENT OF THE INTERIOR Artesia, NM 88210 BUREAU OF LAND MANAGEMEN ARTESIA, NM 88210

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

(August 2007)

SUNDRY NOTICES AND REPORTS ON WELLS 5 Lease Serial No Do not use this form for proposals to drill or to re-enter an NM-101575 abandoned well. Use Form 3160-3 (APD) for such proposals. 6 If Indian, Allottee or Tribe Name NA 7 If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions NMNM121081 Type of Well 1 2010 SEP X Other 8 Well Name and No. Oil Well Gas Well NMOCD ARTESIA Cooker BCB Federal Com #3 2 Name of Operator Yates Petroleum Corporation 9 API Well No. 3b Phone No (include area code) 30-005-63996 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) Alkali Draw: Silurian 11 County or Parish, State 1680'FSL & 1980'FEL of Section 14-T6S-R26E (Unit J, NWSE) Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Acidize Deepen Well Integrity Fracture Treat Reclamation Notice of Intent Alter Casing Other Water Casing Repair New Construction Recomplete Subsequent Report Plug and Abandon Temporarily Abandon Change Plans Tanks Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 would like to inform the BLM that the 2 tanks that Yates has on location are for water storage only, as per Kevin Bussell's request (BLM-Roswell) from Paul Hanes (YPC). ACCEPTED FOR RECORD AUG 27 2010 NAME S/ Angel Mayes I hereby certify that the foregoing is true and correct Name (Printed/Typed) Regulatory Compliance Supervisor Tina Huerta Title August 20, 2010 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Title Approved by

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

ROSWELL FIELD OFFICE

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