

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not 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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-66927
2. Name of Operator Yates Petroleum Corporation 025575		6. If Indian, Allottee or Tribe Name
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No (include area code) (505) 748-1471	7. If Unit or CA/Agreement, Name and/o
4. Location of Well (Footage, Sec, T, R., M., or Survey Description) 330' FSL and 1980' FWL Section 3, T26S-R34E <i>JA 6/28</i> <i>BLZ 330' FWL and 1980 FWL, sec 3 T26S R34E</i>		8. Well Name and No. Dean APQ Federal #2H
		9. API Well No. 30-025-40089
		10. Field and Pool, or Exploratory Area Harden Tank Bone Spring
		11. County or Parish, State Lea County, New Mexico

12. CHECK THE 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 Amend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Use
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Plan.

13. Describe Proposed or Completed Operation: 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 recomple 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 recomple 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 wishes to amend the Surface Use Plan for the captioned to include the construction of a 4" SDR-11 poly surface natural gas flowline. The flowline will have a working pressure of 90 # psi and a volume of 500 mcfpd.

The proposed flowline will be in the west side of the access road right-of-way going north and then east to the tank battery at the Dean APQ Federal #1 located in the NW/SE/4 of this section. The length of this flowline will be approximately 1800' with the entire length of the flowline being on federal surface.

Desert West Archaeological Services Report No. DWAS 96-03-O dated 10/7/96 is attached. This report covers only the portion of the access road going east from the existing access road to the southwest corner of the Dean APQ well location. However the entire north/south access must be in another archaeological report that goes to a well located in the NE/NW/4 of this section.

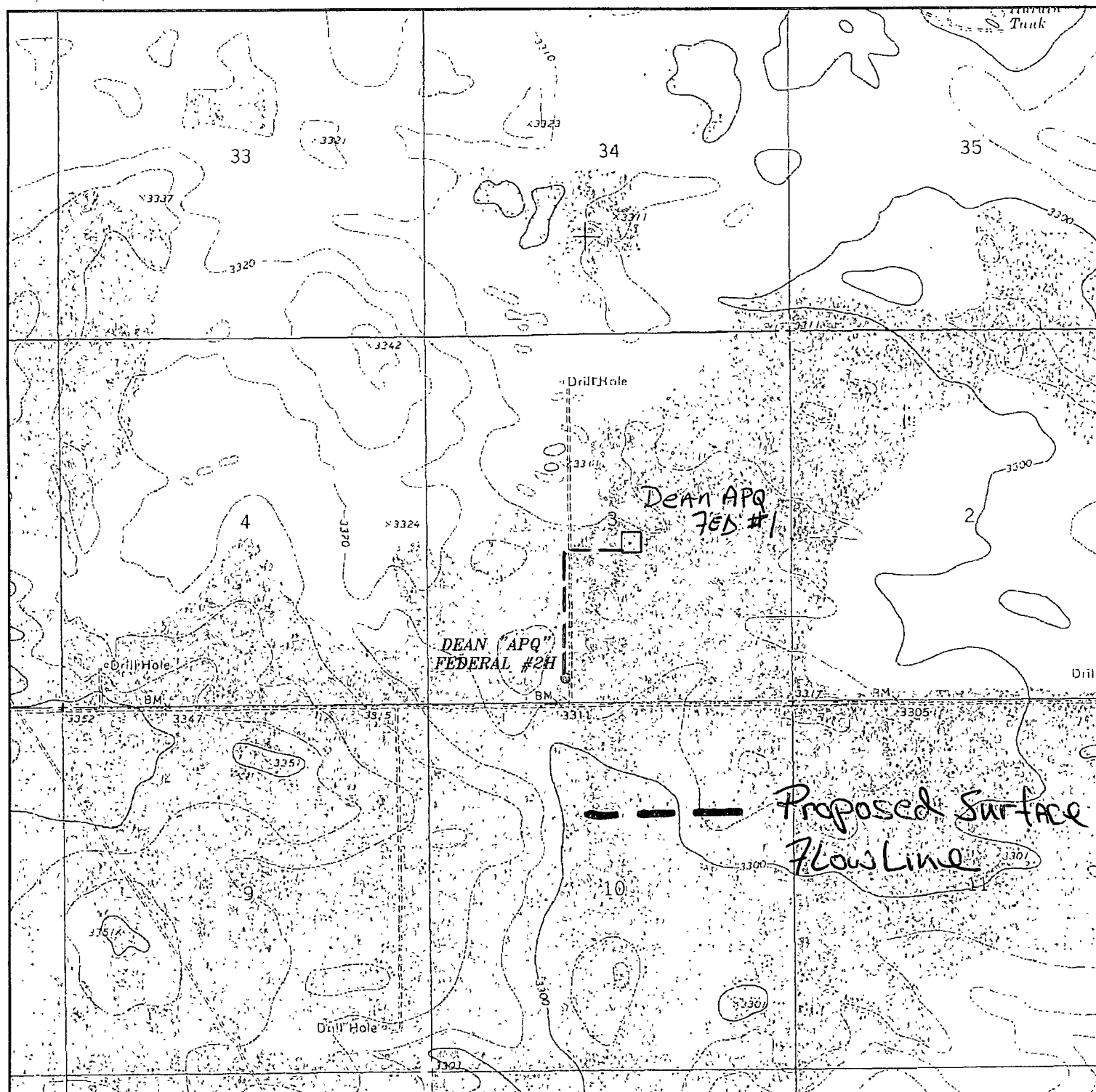
Please note attached plats.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cy Cowan	Title Land Regulatory Agent
Signature <i>[Signature]</i>	Date June 24, 2011

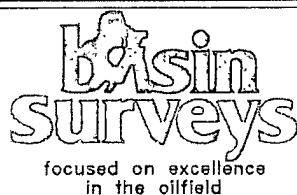
THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>[Signature]</i>	Title SEAS	Date 7-25-11
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 CARLSBAD FIELD 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.



DEAN "APQ" FEDERAL #2H
 Located 330' FSL and 1980' FWL
 Section 3, Township 26 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O Number: BJN 23714

Survey Date: 11-24-2010

Scale: 1" = 2000'

Date: 11-29-2010

YATES
 PETROLEUM
 CORP.



Desert West

ARCHAEOLOGICAL SERVICES

October 7, 1996

Mr. Clifton May
YATES PETROLEUM CORPORATION
104 South 5th
Artesia, NM 88201

Dear Mr. May:

Enclosed please find Desert West Archaeological Services (DWAS) Clearance Report for the YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and associated ACCESS ROAD, located in Section 3, T 26 S, R 34 E, NMPM, Lea County, New Mexico. No cultural resources were encountered during this survey. Archaeological clearance for YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and associated ACCESS ROAD is recommended.

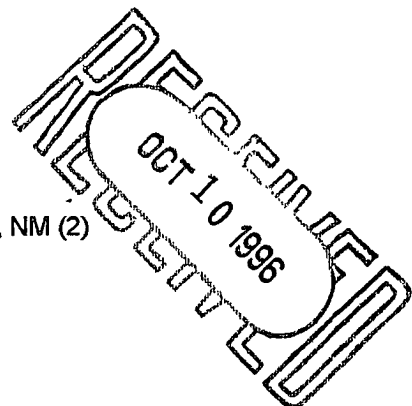
The Bureau of Land Management will review this report and make the final decision on archaeological clearance for this project.

If you have any questions, please call our office.

Sincerely,


Arita Slate
AS/la

xc: Bureau of Land Management, Carlsbad Resource Area, Carlsbad , NM (2)



**ARCHAEOLOGICAL SURVEY of the YATES PETROLEUM CORPORATION's Proposed
DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and Associated ACCESS ROAD,
Section 3, T 26 S, R 34 E, NMPM, Lea County, New Mexico**

MNCRIS PROJECT/ACTIVITY NO. 54008

LAND STATUS: Federal (BLM)

MAP REFERENCE: USGS 7.5 Series, Andrews Place, NM (1973)

**PREPARED FOR: YATES PETROLEUM CORPORATION
Artesia, New Mexico**

DWAS REPORT: 96-03-O

David Wilcox, Project Director

**Arita Slate, Owner, Permit Administrator
DESERT WEST ARCHAEOLOGICAL SERVICES
P.O. BOX 645
Carlsbad, New Mexico 88221-0645
(505) 887-7646**

PERMIT NO. 123-2920-96-H

DATE: October 7, 1996

Attention: Mr. Clifton May

**Distribution: YATES PETROLEUM CORPORATION (1)
Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)**

DESERT WEST ARCHAEOLOGICAL SERVICES
on lands administered by the
Department of the Interior
Bureau of Land Management
Roswell District, New Mexico

CULTURAL RESOURCES EXAMINATION
DWAS PERMIT NO. : 123-2920-96-H
DWAS Job No.: 96-03-O
NMCRIIS PROJECT/ACTIVITY NO. 54008

1. ABSTRACT:

An intensive archaeological survey of YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL, 450' x 450', 4.64 acres) and associated ACCESS ROAD (150' x approximately 650', 2.24 acres), was conducted by Jon Blackwelder (Staff Archaeologist) on October 3, 1996. Mr. Clifton May, of YATES PETROLEUM CORPORATION, requested the archaeological survey. Total area surveyed was 6.88 acres. The proposed project area is located in Section 3, T 26 S, R 34 E, NMPM, Lea County, New Mexico. No cultural resources were encountered during this survey. Archaeological clearance for YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and associated ACCESS ROAD is recommended.

2. LEGAL DESCRIPTION:

Section 3, T 26 S, R 34 E, NMPM, Lea County, New Mexico

Well Pad (2310' FSL, 2310' FEL): NW¼SE¼

Access Road: NW¼NW¼SE¼, NE¼NE¼SW¼

MAP REFERENCE: USGS 7.5' Series, Andrews Place, NM (1973) [Figure 1]

LAND STATUS: Federal (BLM)

3. PROJECT DESCRIPTION:

A proposed well pad (450' x 450', 4.64 acres), and associated access road (150' x approximately 650', 2.24 acres). **Total area surveyed was 6.88 acres.** The surveyed area is located southeast of Diamond And A Half Ranch, southwest of Hardin Tank.

TOPOGRAPHY:

The project area is situated on a slightly undulating interdunal plain with low relief mesquite hummocks and shallow deflation basins.

Soils: Pyote-Maljamar-Kermit Association: gently undulating and rolling, deep, sandy soils

Vegetation: mesquite, yucca, sage, shin oak, Christmas tree cholla, Indian blanket, javelina bush, Tahoka daisy, and other assorted forbs and grasses

Water Sources: (Permanent) Pecos River, approximately 34 miles west
(Potential) Hardin Tank, approximately 1.75 miles northeast

Elevation: 3311' @ centerstake

Aspect: 360°

Lithic Resources: outside surveyed area

4. EXAMINATION PROCEDURE:

Straight and zig-zag line transects, spaced no greater than 15.0 meters apart.

Work hours on ground: 1 hour (1 archaeologist)

Area delineation: staked by client

Visibility: 25-50%, due to heavy vegetation cover

Lighting conditions: good

Weather: overcast, breezy and cool/mild

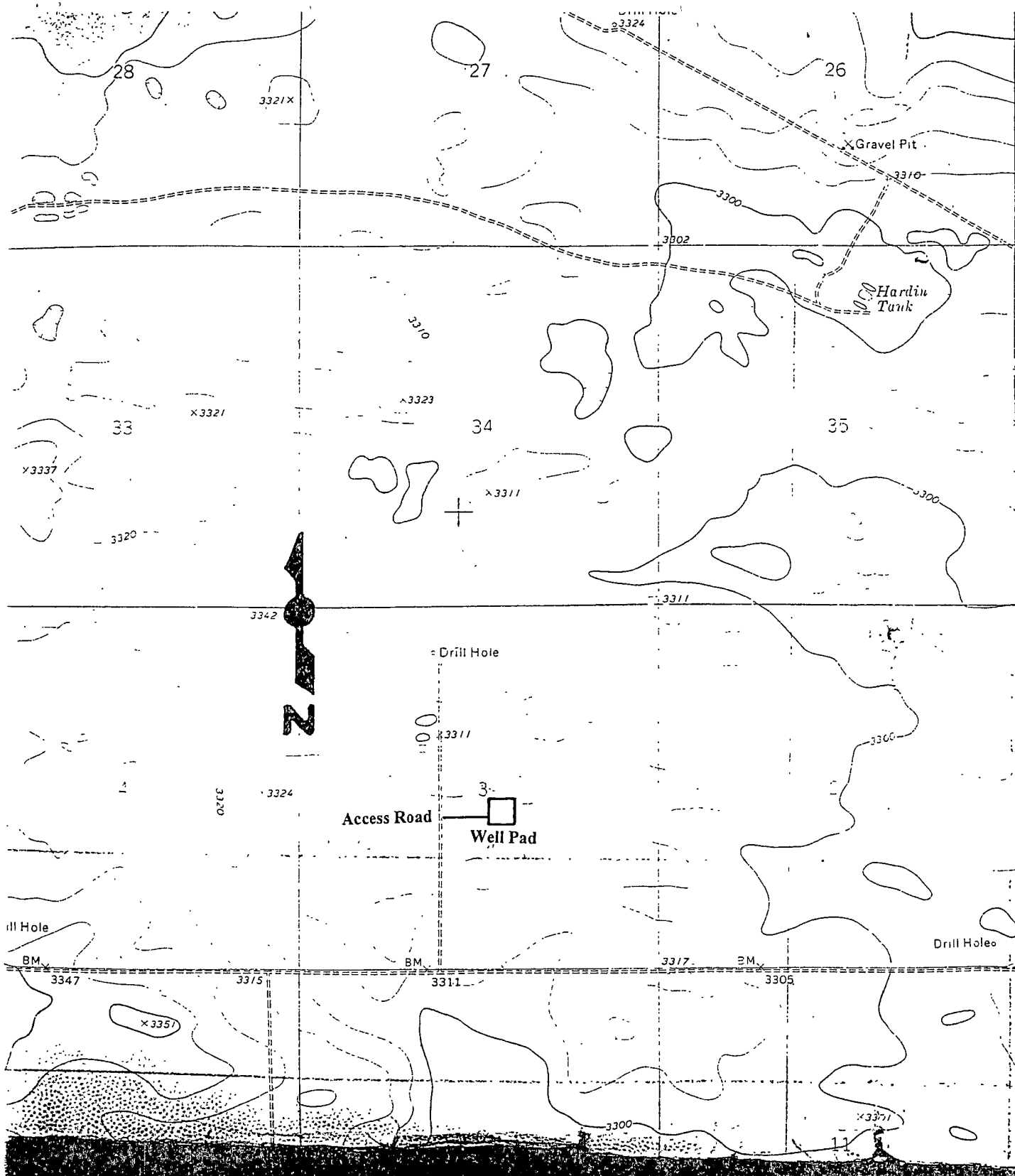


Figure 1. Showing the location of the YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and associated ACCESS ROAD, Section 3, T 26 S, R 34 E, NMPM, Lea County, New Mexico. Map reference: USGS 7.5' Series Topographic Map: Andrews Place, NM (1973).

5. FINDINGS:

A prefield search of BLM records was conducted by Jon Blackwelder on October 3, 1996. According to BLM Master Maps, no previously recorded sites are located within a half-mile radius of the project area.

6. RESULTS OF SURVEY:

No cultural resources were encountered during the archaeological investigation.

7. RECOMMENDATIONS:

Archaeological clearance for YATES PETROLEUM CORPORATION's proposed DEAN "APQ" FEDERAL WELL No. 1 (2310' FSL, 2310' FEL) and associated ACCESS ROAD is recommended. If any cultural resources are encountered during the proposed construction, the BLM and DWAS should be notified immediately. Final archaeological clearance is granted by the BLM.

Reviewed by: _____

J. L. Holbe

Reviewed by: _____

Louise Aguirre

Reviewed by: _____

Jon B. Blackwelder

BLM LEASE NUMBER: NM-66927
COMPANY NAME: Yates Petroleum Corporation
ASSOCIATED WELL NO. & NAME: Dean APQ Federal 2H

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Sundry Notice and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

b. Activities of other parties including, but not limited to:

- (1) Land clearing.
- (2) Earth-disturbing and earth-moving work.
- (3) Blasting.
- (4) Vandalism and sabotage.

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact

the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

(March 1989)