OCD HOBBS			
(020 1330)	UNITED STATES TMENT OF THE INTERIOR OF LAND MANAGEMENT	FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993	
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals		 5. Lease Designation and Serial No. NM-94095 6. If Indian. Allottee or Tribe Name 	
SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation	
1. Type of Well Oil Gas Well Well Other		8. Well Name and No. Caper BFE Federal #2	
2. Name of Operator Yates Petroleum Corporation		9. API Well No. 30-025-37439	
3.Address and Telephone No. 105 South 4 th Street, Artesia, NM 88210 (505) 748-1471		10. Field and Pool, or Exploratory Area Lost Tank: Delaware	
4. Location of Well (Footage. Sec., T., R., M., or Survey Description 2310' FSL & 2310' FWL (NESW) Sec-17-T21S-R32E		11. County or Parish. State Lea County, New Mexico	
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, TYPE OF SUBMISSION TYPE OF ACTION		REPORT, OR OTHER DATA	
Notice of Intent	Abandonment Recompletion Plugging Back	Change of Plans New Construction Non-Routine Fracturing	
Final Abandonment Notice	Casing Repair Casing Casing Cother	Water Shut-Off Conversion to Injection Dispose Water (Note : Report results of multiple completion on Well completion or Recompletion Report and Log Form)	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 420 Bbls of water per day from the Lost Tank; Delaware. The water will be stored in a 500 Fbgls tank and will be pipeline to the Union AJS Federal Com #1. Located at 8-21S-32E. Order SWD-458. If the System is down it will be trucked by the lowest bid company.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED	APPROVED APR 2 0 2006 LES BABYAK PETROLEUM ENGINEER		
14. I hereby certify that the foregoing is true and correct Signed Difference Title Production Secretary Date February 17, 2006			
(This space for Federal or State office use) Approved by	Date		
Title 18 U.S.C. Section 1001, makes 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.			
*See Instruction on Reverse Side			