Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0135 Expires Jnovember 30, 2000

NM-90

Lease Serial No.

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SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. Not Applicable 7. If Unit or CA/Agreement, Name and/o SUBMIT IN TRIPLICATE - Other instructions on reverse side Not Applicable Type of Well 8. Well Name and No. X Oil Well Other Gas Well Name of Operator Amazing BAZ Federal #7 9. API Well No. Yates Petroleum Corporation Address Phone No. (include area code) 30-025-37348 10. Field and Pool, or Exploratory Area 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471 Location of Well (Footage, Sec., T., R., M., or Survey Description) Livingston Ridge: Deleware SE 11. County or Parish, State 330' FSL and 1650' FEL, Unit letter O Section 19, T22S-R32E Lea County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Production (Start/Resume) Water Shut-Off Acidize Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete Other APD Extension Change Plans Temporarily Abandon Plug and Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operations (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 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 shall 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-shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed. Yates Petroleum Corporation wishes to extend the captioned well's APD expiration at for sone year to June 28, 2007. Sources at Yates Petroleum Corporation have relayed information to me that they believe there; with not be enough H2S found from the surface to the Bone Springs formation to meet the OCD minimum requirements per rule 118. C-144 attached. MONTH PERIOD APPROVED FOR ENDING Thank you. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Cliffton May Regulatory Agent Signature Date May 26, 2006 THIS SPACE FOR FEDERAL OR STATE USE Approved by ELD MANAGER /s/ Tony J. Herrell JUL 0 5 2006 Conditions of approval, if any, are attached. Approval of this notice does not warrant or 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 Sales firtitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the lands described below: All of Section 19, T. 22S., R. 32E.

For the purpose of: Protecting Prairie Chickens:

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. 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 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks know at the time of permitting. 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 feet from the source of the noise.

BLM Serial #: NM-90

Company Reference: Amazing BAZ Federal #7

Yates Petroleum Corporation

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass .	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

^{**}Four-winged Saltbush

Pounds of seed \mathbf{x} percent purity \mathbf{x} percent germination = pounds pure live seed

⁵lbs/A

^{*} This can be used around well pads and other areas where caliche cannot be removed.

^{*}Pounds of pure live seed:



United States Department of the Interior



BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.nm.blm.gov

JUL 0 5 2006

Lease No.: NM-90

Well Name: Amazing BAZ Federal No. 7 Well Location: T22S, R32E, Section 19

Dear APD Permittee:

Please be aware that this APD is within Lesser Prairie Chicken habitat and as a result of the settlement in a lawsuit between BLM and the litigant, we will be unable to approve any requests for exceptions without further environmental analysis which could take up to 30 days. Consequently, it is advisable to schedule drilling within Lesser Prairie Chicken habitat outside the March 15th to June 15th timing restrictions in order to avoid a delay if a request for an exception becomes necessary.

If you have any questions regarding this lawsuit or the requirements as a result of the settlement, please contact Jim Stovall (505)234-5981, Dorothy Morgan (505)234-5951, or Russ Sorensen (505)234-5963.

Sincerely,

Field Manager

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144 March 12, 2004

Is pit or below-grade tanl	de Tank Registration or Closur k covered by a "general plan"? Yes \(\subseteq \) No r below-grade tank \(\subseteq \) Closure of a pit or below-grade	
Operator: Yates Petroleum Corporation Telephone: _(505)748-1471c Address:105 S. 4th Facility or well name: _Amazing BAZ Federal #7API #:30-025-37348 County: _Lea Latitude Longitude	e-mail address: _cliff@ypcnm.com _U/L or Qtr/QtrSec_19_T_22S_R_32E_	
Pit Type: Drilling ☑ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☐ Unlined ☐ Liner type: Synthetic ☑ Thickness 12 mil Clay ☐ Volume 24000 bbl	Below-grade tank Volume:bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	0
If this is a pit closure: (1) attach a diagram of the facility showing the pit's onsite offsite If offsite, name of facility date. (4) Groundwater encountered: No Yes If yes, show depth belo diagram of sample locations and excavations.	(3) Attach a general description of remedial action	on taken including remediation start date and end
I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , a Date: 5/26/2006 Printed Name/Title Clifton R. May/ Regulatory Agent Signature Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the or regulations.	general permit , or an (attached) alternative OC R. May relieve the operator of liability should the contents of	CD-approved plan □. the pit or tank contaminate ground water or
Printed Name/Title PETROLEUM ENGINE	Signature - O. F. IAA FNUIIV	EER