

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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

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 reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FSL and 1650' FEL, Unit letter J  
Section 17, T21S-R32E

5. Lease Serial No.

NM-94095

6. If Indian, Allottee or Tribe Name

Not Applicable

7. If Unit or CA/Agreement, Name and/o

Not Applicable

8. Well Name and No.

Caper BFE Federal #5

9. API Well No.

30-025-37448

10. Field and Pool, or Exploratory Area

Wildcat Bone Springs

11. County or Parish, State

Lea County, New Mexico

12. CHECK 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 APD Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to August 26, 2007.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface to the Bone Springs formation to meet the OCD's minimum requirements per rule 118 C-144 attached.

APPROVED FOR 12 MONTH PERIOD  
ENDING 8-26-07

Thank you.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cliffton May

Title

Regulatory Agent

Signature

*Cliffton May*

Date

July 26, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Tony J. Herrell

FIELD MANAGER

Date AUG 19 2006

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.

(Instructions on reverse)

KZ

District I  
 1623 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Pecos 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

Form C-144  
 March 4, 2004

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

**Pit or Below-Grade Tank Registration or Closure**

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: 505.748.4572 e-mail address: CURR@YPCOM.COM  
 Address: 105 SOUTH FOURTH STREET  
 Facility or well name: CHESA BFE FILLER #3 API #: 30-02537448 U/L or Q/L: N Sec: 17 T: 46 R: 32E  
 County: LEA Latitude: N. 32.9143 Longitude: W. 106.6179 Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

<b>Use</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Wellbore <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: <u>1/2</u> in Clay <input type="checkbox"/> Volume <u>5000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> No <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet <u>50 feet or more, but less than 100 feet</u> 100 feet or more	(20 points) <u>(10 points)</u> (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 <u>No</u>	(20 points) <u>(0 points)</u>
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 <u>1000 feet or more</u>	(20 points) <u>(10 points)</u> <u>(0 points)</u>
Ranking Score (Total Points)		<u>10 points</u>

**If this is a pit closure:**

- Attach a diagram of the facility showing the pit's relationship to other equipment and tanks.
- Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: \_\_\_\_\_
- Attach a general description of remedial action taken including remediation start date and end date.
- Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: \_\_\_\_\_ ft. and attach sample results.
- Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been constructed or closed according to NMOC District guidelines.

Date: 7/12/05

Printed Name/Title: CLIFTON R. MAY REGULATORY AGENT

Signature: Clifton R. May

Your certification and NMOC District approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved:

Date:

Printed Name/Title:

**PETROLEUM ENGINEER**

Signature: [Signature]

SEP 12 2005

AUG 19 2006

Lease No.: NM-94095  
Well Name: Caper BFE Federal #5  
Well Location: T21S, R32E, Section 17

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 15<sup>th</sup> to June 15<sup>th</sup> 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,

/s/ **Tony J. Herrell**

Field Manager