

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD HOBBS

FORM 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 to re-enter 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 **HARVEY E. YATES COMPANY**

3a. Address
PO BOX 1933 ~ ROSWELL NM 88202-1930

3b. Phone No. (include area code)
505.623.6601

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
1980' FSL & 660' FEL, SEC 10, T18S, R32E, LEA COUNTY NM (NESE) UNIT 1

5. Lease Serial No.
NMNM-22642

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
YOUNG DEEP UNIT

8. Well Name and No.
0039

9. API Well No.
30-025-38179

10. Field and Pool, or Exploratory Area
YOUNG; MORROW

11. County or Parish, State
LEA COUNTY, NM

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
	<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 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 recomplate 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, and the operator has determined that the site is ready for final inspection.)

Harvey E. Yates Co would like to request approval for off-lease measurement of gas produced on the Young Deep #39 NMNM 22642. The gas meter (which is separate from any other production) is currently located on the #24 Young Deep Unit Battery on Lease No. NMNM12567, located in the SWNW, Sec. 10, T18S, R32E. The Young Deep #24 has its own gas meter for its own gas production, so there is not any commingling of production for the leases, nor is there any commingling of production planned for these wells.

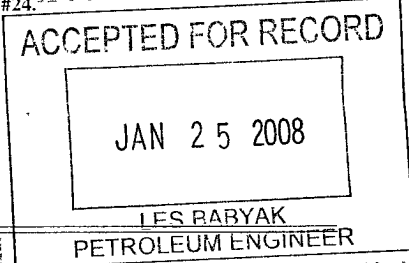
After talking to our field superintendant, he said that a temporary 3" line was run from the Young Deep #39 to the Young Deep #24, the closest location to the Duke Pipeline at their request. (We were under the impression that Duke was then going to lay a new steel underground line to the YD #39). There is a low pressure temporary gas line for the Young Deep #39 next to the meter for the #24.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

JAN 30 2008

HOBBS OCD



14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

JEN SERRANO

Title Eng Tech

Signature

Jen Serrano

Date

01/07/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Date

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

Title 18 USC 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.

(Instructions on page 2)