

UNITED STATES **Bureau of Land Management**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007**RECEIVED**

MAY 08 2009

HOBBSD

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation 025575

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)

2500' FSL and 200' FEL Surface Hole Location

2280' FSL and 330' FWL Bottom Hole Location

Section 12. T15S-R31E

5. Lease Serial No

NM-105886

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Vespa BME Federal #1H

9. API Well No

35-005-29095

10. Field and Pool, or Exploratory Area

Wildcat Wolfcamp

11. County or Parish, State

Chaves 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 type="checkbox"/> Other Additions
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	and Corrections
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	To APD.

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 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 must 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 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.)

Per your letter dated March 18, 2009 addressing deficiencies for the APD of the captioned well attached please find the requested information.

Should you need anything further please advise.

Thank you.

ACCEPTED FOR RECORD

/s/ Angel Mayes

MAY 4 2009

**Assistant Field Manager,
Lands And Minerals**

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent / Land Department

Signature

Date

April 6, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

PETROLEUM ENGINEER

Date

MAY 28 2009

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 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)

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Vespa BME Federal #1H

2500' FSL and 200' FEL, 12-15S-31E (Surface Hole Location)

2280' FSL and 330' FWL, 12-15S-31E (Bottom Hole Location)

Chaves County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 13 miles north & east of Maljamar, New Mexico and the access route to the location is indicated in red and green on Exhibit A and A-1.

DIRECTIONS:

From Maljamar, NM go 1 mile east on Highway 82 to the intersection of Highway 82 and State Road 249. Turn left on State Road 249/172 and go approximately 12 miles to Wanda Road. Turn right on Wanda Road and cross cattleguard. Immediately after crossing the cattleguard turn left and follow lease road north and east. From approximately parallel to the northwest corner of the Ninja BMN State Com. #1H but still on the existing lease road continue east approximately .1 of a mile. Turn right here on the existing lease road and go south for approx. .2 of a mile to just north to a Cimerex well location. Turn left here on a new portion of lease road going east for approximately .1 of a mile to a fence line. Turn south here and go approx. .1 of a mile along the fence line to a lease road and cattle going east. Turn east here on lease road cross cattleguard and go approx. .8 of a mile. The new road will start here going south for approx. .2 of a mile to the southwest corner of the proposed well location.

2. PLANNED ACCESS ROAD:

- A. A one mile portion of the existing access road is on State of New Mexico lands. Yates has obtained right-of-way R-31314 from the Commissioner of Public Lands P.O. Box 1148, Santa Fe, NM 87504-1148 for access across these lands. The remainder of the access road is on private surface. Please note the attached survey plats for the actual route of the new portion of road from start to finish.
- B. The new road will be 14' in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts may be built as needed.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power until an electric power line can be built if needed.

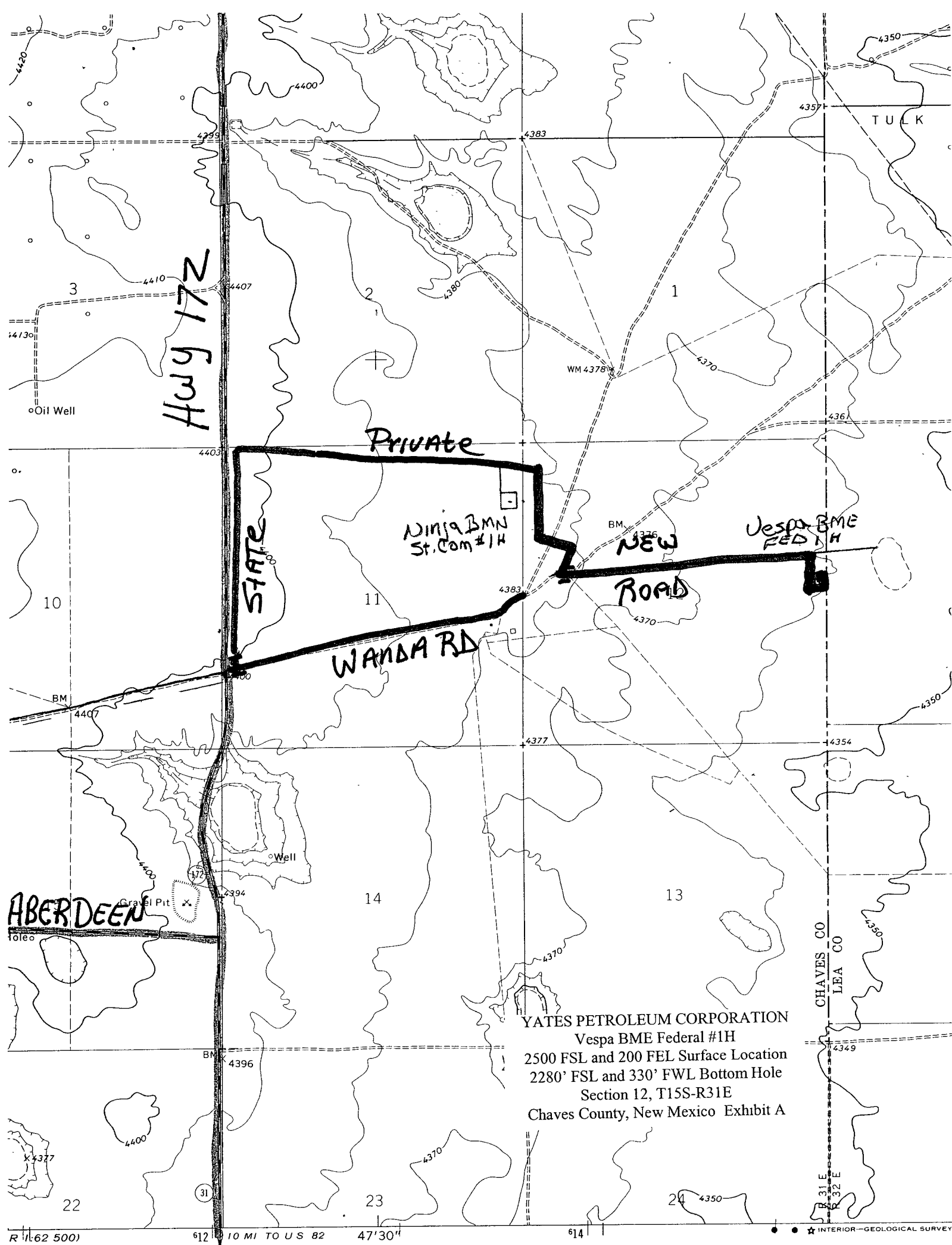
11. SURFACE OWNERSHIP: Split Estate

Surface Ownership: Billy R. Medlin and Donna K. Medlin, his wife, as Joint Tenants, P. O. Box 50, Maljamar, NM 88264. Yates Petroleum Corporation has obtained a surface use agreement with Mr. Medlin on April 6, 2009.

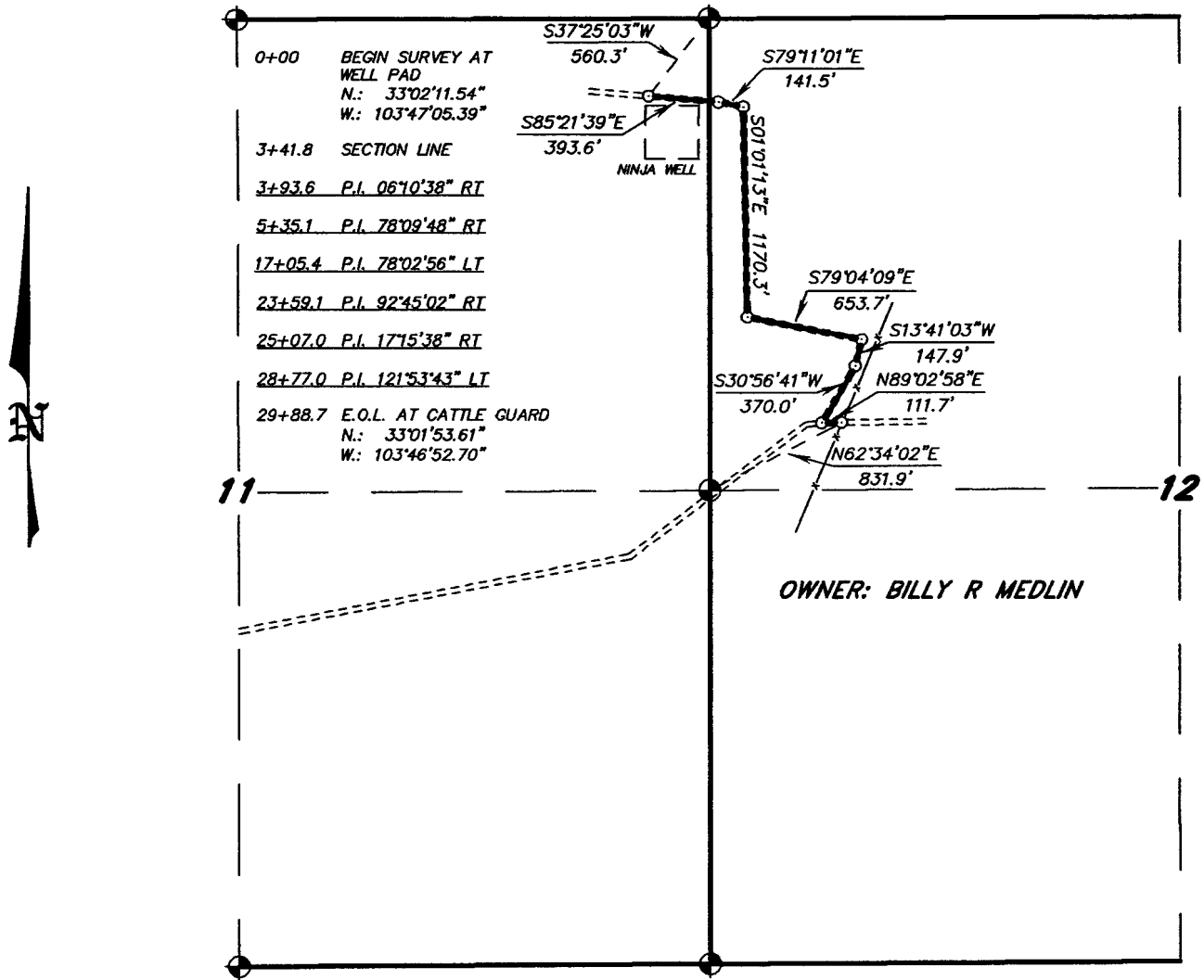
Mineral Estate: Administered by the Bureau of Land Management, Roswell Field Office. 2909 West Second Street, Roswell, NM 88201.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, and dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.



SECTIONS 11&12, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.
CHAVES COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 11&12, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
BEGINNING AT A POINT WHICH LIES S.37°25'03"W., 560.3 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 11; THENCE S.85°21'39"E., 393.6 FEET; THENCE S.79°11'01"E., 141.5 FEET; THENCE S.01°01'13"E., 1170.3 FEET; THENCE S.79°04'09"E., 653.7 FEET; THENCE S.13°41'03"W., 147.9 FEET; THENCE S.30°56'41"W., 370.0 FEET; THENCE N.89°02'58"E., 111.7 FEET TO THE END OF THIS LINE WHICH LIES N.62°34'02"E., 831.9 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 12. SAID STRIP OF LAND BEING 2988.7 FEET OR 181.13 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS MAP WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES

No. 7977
No. 5074

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 21258

Drawn By: J. M. SMALL

Date: 03-30-2009

Disk: JMS 21258

1000 0 1000 2000 FEET

YATES PETROLEUM CORP.

REF: PROPOSED LEASE ROAD TO THE NINJA WELL

A LEASE ROAD CROSSING FEE LAND IN
SECTION 11&12, TOWNSHIP 15 SOUTH, RANGE 31 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

Survey Date: 03-26-2009

Sheet 1 of 1 Sheets

OWNER: BILLY R MEDLIN

SECTION LINE

60+29.5

53+55.3 P.L. 37°1'33" L.I.

50+63.4 P.L. 03°37'08" R.I.

12

10+54.9 P.L. 94°02'20" L.I.

1+00 P.L. 90°00'00" R.I.

0+00 BEGIN SURVEY AT WELL PAD

N: 33°01'46.7"

W: 103°46'03.5"

4008.5'

S86°16'07"W

N00°18'27"E 95.4.9

N89°41'28"W 100.0'

W 55.47' N 2328.0'

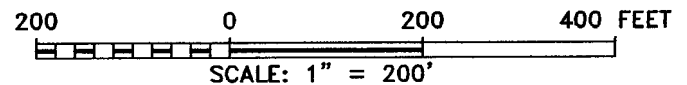
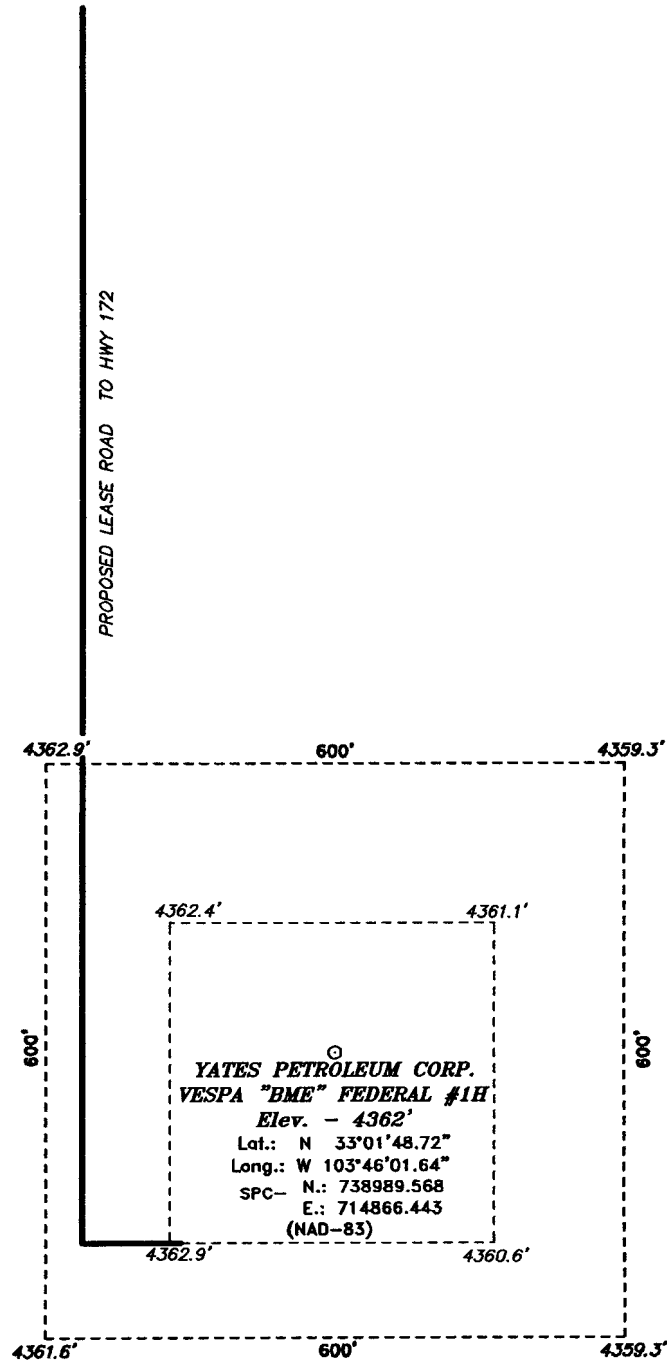
R-31-E

R-32-E

VESPA BME FEDERAL #1H

A LEASE ROAD CROSSING FEE LAND IN
SECTION 12, TOWNSHIP 15 SOUTH, RANGE 31 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

SECTION 12, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.



Directions to Location:

FROM MILE MARKER 1 OF HWY 172; GO NORTH 0.9
MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 20086

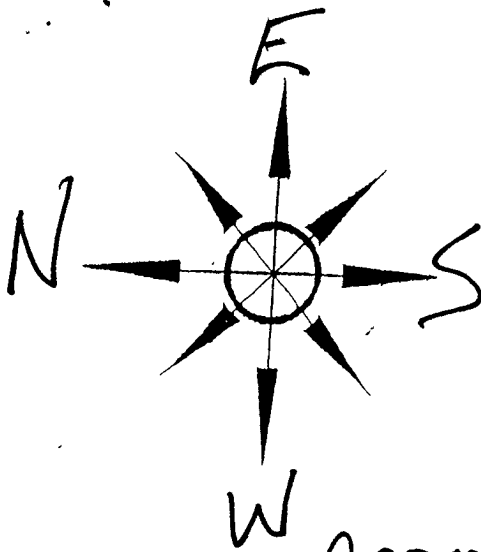
Drawn By: J. M. SMALL

YATES PETROLEUM CORP.

REF: VESPA "BME" FEDERAL #1H / WELL PAD TOPO

THE VESPA "BME" FEDERAL #1H LOCATED 2500'
FROM THE SOUTH LINE AND 200' FROM THE EAST LINE OF
SECTION 12, TOWNSHIP 15 SOUTH, RANGE 31 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

YATES PETROLEUM CORPORATION
Vespa BME Federal #1H
2500 FSL and 200 FEL Surface Location
2280' FSL and 330' FWL Bottom Hole
Section 12, T15S-R31E
Chaves County, New Mexico Exhibit B



Yates Petroleum Corporation Location Layout for Permian Basin

Closed Loop Design Plan

Approximate Size of PAD

ALL Construction within the 600' x 600'

