

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

Lease Serial No.

NM-94095

6. If Indian, Allottee or Tribe Name

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

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)

330' FNL and 330' FEL Surface Hole Location

660' FNL and 330' FWL Bottom Hole Location

Section 17, T21S-R32E

8. Well Name and No

Caper BFE Federal #6H

9. API Well No.

30-025-38091

10. Field and Pool, or Exploratory Area

Undesignated Wildcat

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 Amend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Use Plan.
	<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 amend the surface use plan for the captioned to include one (1) 2 7/8" J-55 steel tubing surface production flowline. Working pressure will be 90# psi and a volume of 500 bpd. The west to east portion of the flowline will be 2121.0' and north to south portion will be 4766.1' for a total length of 6887.1'. The entire length of the flowline will be on federal lands.

The route of this flowline will follow a proposed access road. This route has already had an archaeological survey conducted done on it. Please note Boone Archaeological Services report BAS 03-06-43.

The proposed flowline will go west and then south following right of way NM-112813 to Yates' Caper BFE Federal #1 tank Battery.

Please note attached plat.

Thank you

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

Name (Printed/Typed)

Cy Cowan

Title

Land Regulatory Agent

Signature

Date

September 2, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Don Peterson

FIELD MANAGER

Date

SEP 22 2010

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

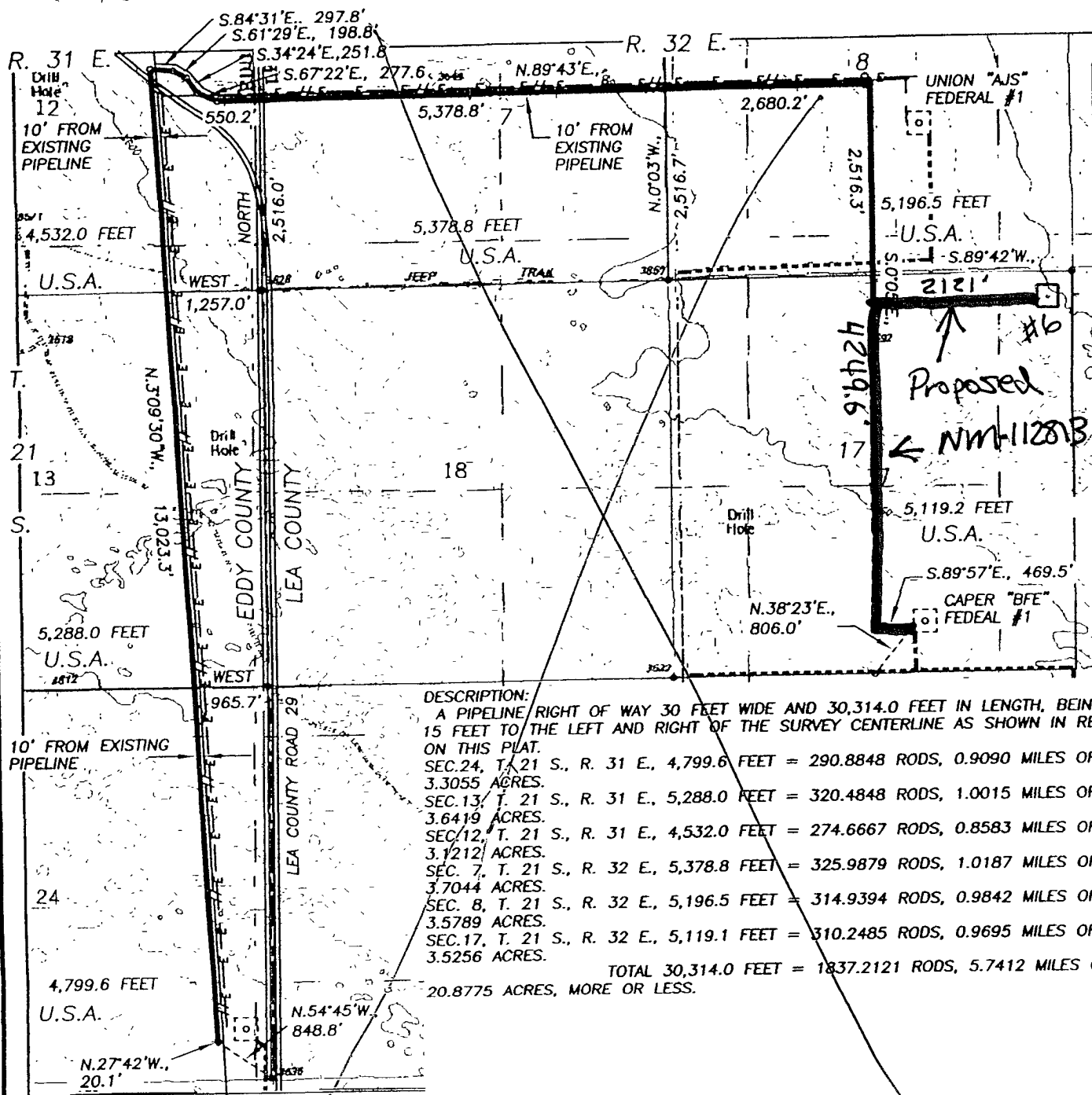
BLM Carlsbad Field Office

PETROLEUM ENGINEER
SEP 27 2010

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)

SECTIONS 12, 13, & 24, TOWNSHIP 21 SOUTH, RANGE 31 EAST, N M, EDDY COUNTY, NEW MEXICO
 SECTIONS 7, 8, & 17, TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO.



DESCRIPTION:
 A PIPELINE RIGHT OF WAY 30 FEET WIDE AND 30,314.0 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE SURVEY CENTERLINE AS SHOWN IN RED ON THIS PLAT.
 SEC. 24, T. 21 S., R. 31 E., 4,799.6 FEET = 290.8848 RODS, 0.9090 MILES OR 3.3055 ACRES.
 SEC. 13, T. 21 S., R. 31 E., 5,288.0 FEET = 320.4848 RODS, 1.0015 MILES OR 3.6419 ACRES.
 SEC. 12, T. 21 S., R. 31 E., 4,532.0 FEET = 274.6667 RODS, 0.8583 MILES OR 3.1212 ACRES.
 SEC. 7, T. 21 S., R. 32 E., 5,378.8 FEET = 325.9879 RODS, 1.0187 MILES OR 3.7044 ACRES.
 SEC. 8, T. 21 S., R. 32 E., 5,196.5 FEET = 314.9394 RODS, 0.9842 MILES OR 3.5789 ACRES.
 SEC. 17, T. 21 S., R. 32 E., 5,119.1 FEET = 310.2485 RODS, 0.9695 MILES OR 3.5256 ACRES.
 TOTAL 30,314.0 FEET = 1837.2121 RODS, 5.7412 MILES OR 20.8775 ACRES, MORE OR LESS.

2000' 0 2000' 4000'
 Scale 1" = 2000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

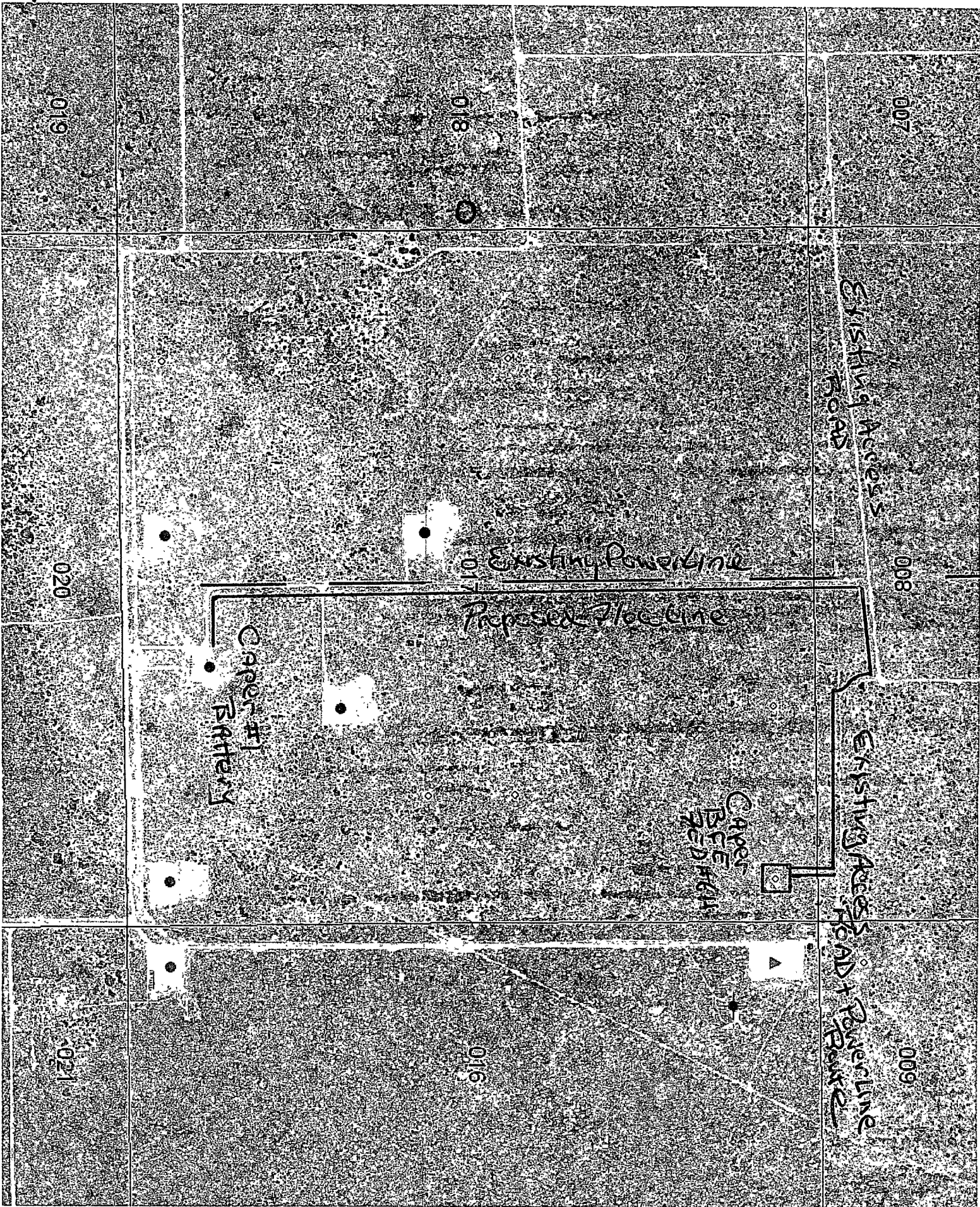
RECORDED
 3640
 HERSCHEL L. JONES, R.S. No. 3640
 SURVEYOR

GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

PIPELINE TO CONNECT THE YATES CAPER "BFE" FEDERAL #1 WELL, LOCATED IN SECTION 17, TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO.

Survey Date: 1/06-07/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 1/14/05	Scale 1" = 2000' CAPER 1



RECEIVED

SEP 27 2010

HOBBSOCD

BLM LEASE NUMBER: NM94095

COMPANY NAME: Yates

WELL NO. & NAME: Caper BEF Federal #6H

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

b. Activities of other parties including, but not limited to:

- (1) Land clearing.
- (2) Earth-disturbing and earth-moving work.
- (3) Blasting.
- (4) Vandalism and sabotage.

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 25 feet.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact

the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. Special Stipulations -Due to being within the Lesser Prairie Chicken habitat, all construction activities will be restricted to the hours of 9:00 am through 3:00 am for the period of March 1 through June 15. No construction activities will be allowed between 3:00 am and 9:00 am.

Attention: The proposed action occurs within the Bilbrey Lesser Prairie-Chicken Habitat Evaluation Area (HEA) as described in the 2008 Special Status Species Resource Management Plan Amendment. Therefore, according to the prescriptions set forth in the RMPA for management of HEAs, non-emergency exceptions to the Timing Limitation Condition-of-Approval will not be granted to afford the species protection during its breeding season.