Form 3160-5 (August 2007)

Approved By

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.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTUSIA FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

> JAMES A. AMOS SUPERVISOR-EPS

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.				5. Lease Serial No. NMNM85909			
				6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No.			
Type of Well				8. Well Name and No.			
☑ Oil Well ☐ Gas Well ☐ Other				FOCUS BDB FEDERAL 1H			
2. Name of Operator Contact: BRITNYE GURULE YATES PETROLEUM CORPORATIONE-Mail: bgurule@yatespetroleum.com				9. API Well No. 30-015-39421			
3a. Address 105 SOUTH FOURTH STRE ARTESIA, NM 88210	ET .	3b. Phone No. (include area cod Ph: 575-748-4281/	le). 10. F	10. Field and Pool, or Exploratory PARKWAY; BONE SPRING			
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description)	11.	11. County or Parish, and State			
Sec 31 T19S R30E NWNW 5	560FNL 330FWL		E	EDDY COUNTY COUNTY, NM			
12. CHECK APP	PROPRIATE BOX(ES) TO	D INDICATE NATURE OF	NOTICE, REPOR	RT, OR OTHER I	DATA		
TYPE OF SUBMISSION	TYPE OF ACTION					1	
Notice of Intent ■ Notice of Intent Notice of Inten	☐ Acidize	□ Deepen	☐ Production (S	Start/Resume)	☐ Water Shut-O	ff	
_	☐ Alter Casing	☐ Fracture Treat	Reclamation		■ Well Integrity	i	
☐ Subsequent Report	Casing Repair	■ New Construction	☐ Recomplete	• (□ Other		
☐ Final Abandonment Notice	Change Plans	Plug and Abandon	☐ Temporarily I	arily Abandon			
	Convert to Injection	☐ Plug Back	Water Dispose	sal			
13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the we following completion of the involve testing has been completed. Final A determined that the site is ready for Yates Petroleum Corporation requests your approval. The The water will be stored in 2-	nally or recomplete horizontally, or will be performed or provide of operations. If the operation re bandonment Notices shall be fil final inspection.) is submitting an application well at present produces a 500 bbl tanks and will be proceed to the produces and will be proceed to the produces a submitted to the produces are th	give subsurface locations and mea the Bond No. on file with BLM/B sults in a multiple completion or re ed only after all requirements, inclu- on for water pursuant to orde an average of 1-1500 bbls of pipelined to the Anthill SWD	sured and true vertical of IA. Required subseque completion in a new induing reclamation, have er #7 and f water per day.	depths of all pertinent int reports shall be file terval, a Form 3160-4 be been completed, and NM OIL CC ARTESI	markers and zones d within 30 days shall be filed once the operator has ONSERVATI IA DISTRICT	s.	
located at Unit K Sec. 2 T20S-R29E order #SWD-1441.				DEC	09 2014	•	
Also, attached is an updates	Site Security Diagram of the	he facility.		•		*	
	SOPPORT TO INSCORD	·	CC	SEE ATTACRIEC INDITIONS OF A	CETYED PPROVAL		
	· will			·			
14. I hereby certify that the foregoing	Electronic Submission # For YATES PETRO	262922 verified by the BLM W DLEUM CORPORATION, sent or processing by DEBORAH	to the Carlsbad		i.		
Name(Printed/Typed) BRITNYE	GURULE	Title REPO	RTING CLERK				
Signature (Electronic	Submission)	Date 09/12/	2014	APPRO	VE D		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE							
							

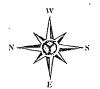
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office



-Keith Hutchens -July, 2014 Nucleus BGN Fed Com #1H

1750' FNL & 330' FWL * Sec 31 - T19S-R30E* Unit E Eddy County, NM API - 3001539241



S = Valve Closed () • Volve Opened

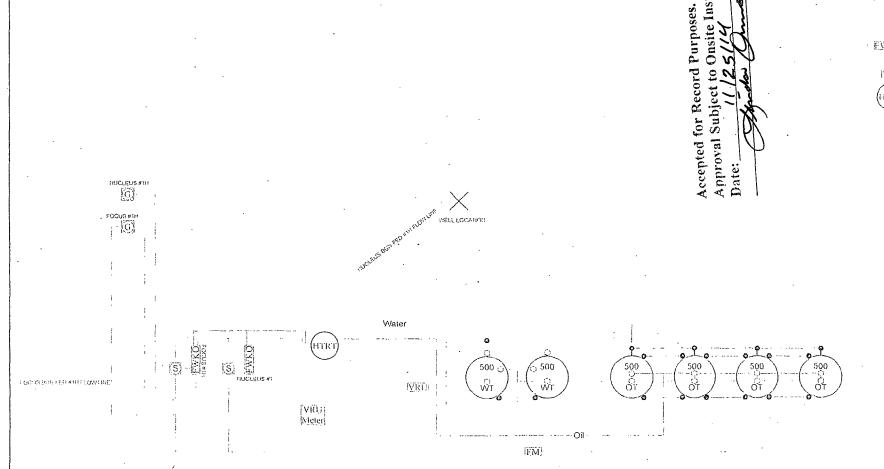
FM - Flare Meter

FWKO = F-Ne Water Knock Cut

(S) = Seperator

|VRO| - Venor Recovery Unit

r) = Heator, Treater



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14