

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
Artesia
ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM82904 |
| 2. Name of Operator YATES PETROLEUM CORPORATION | | 6. If Indian, Allottee or Tribe Name |
| Contact: JULIE STEELE E-Mail: JSteele@yatespetroleum.com | | 7. If Unit or C/A Agreement, Name and/or No. |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-4208 Fx: 575-748-4666 | 8. Well Name and No. ADELINE ALN FED 1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T24S R31E SENW 1980FNL 1980FWL | | 9. API Well No. 30-015-20939-00-S1 |
| | | 10. Field and Pool, or Exploratory S SAND DUNES |
| | | 11. County or Parish, and State EDDY 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 | Venting and/or Flaring |
| | <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 recomple 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.)

Flaring will Be at Adeline ALN Federal Battery
Which Includes 16 Wells:

Adeline ALN #1 API#: 30-015-20939
Adeline ALN #2 API#: 30-015-27241
Adeline ALN #3 API#: 30-015-27244
Adeline ALN #4 API#: 30-015-35523
Adeline ALN #5 API#: 30-015-36090
Adeline ALN #6 API#: 30-015-32013
Adeline ALN #7 API#: 30-015-27248
Adeline ALN #8 API#: 30-015-27249
Adeline ALN #9 API#: 30-015-27250

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

11/16/15
Accepted for record
NMOCD

| | |
|--|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #309768 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 10/09/2015 (16JAS02135E) | |
| Name (Printed/Typed) JULIE STEELE | Title PRODUCTION ANALYST YATES PETRO |
| Signature (Electronic Submission) | Date 07/21/2015 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved By | Title |
| 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. | Date |
| 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 |

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #309768 that would not fit on the form

32. Additional remarks, continued

Adeline ALN #10 API# 30-015-31574
Adeline ALN #11 API# 30-015-31885
Adeline ALN #12 API# 30-015-32014
Adeline ALN #13 API# 30-015-32942
Adeline ALN #15 API# 30-015-36368
Adeline ALN #16 API# 30-015-27280
Adeline ALN #17 API# 30-015-27281

Yates Respectfully requests permission to flare for 90 Days until October 1, 2015 due to abnormal system pressures in Agave lines. The possibility of flare will be inconsistent, therefore, the volume below can easily fluctuate.

Estimated Flare per day = 300 +/- MCF

This circumstantial flaring could result longer than 24 hour period and possibly more than 144 cumulative authorized under NTL4A III.A. Flare volumes will be reported on OGOR.

Flaring Conditions of Approval

1. Report all volumes on OGOR B as disposition code 08.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days from date requested on sundry.
9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JAM 101415