

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3a. Address

105 South Fourth Street, Artesia, New Mexico 88210

3b. Phone No. (include area code)

575-748-4372

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

710' FNL and 2410' FWL Surface Hole Location Section 35-19S-R32E

330 FNL, 1980 FEL

5. Lease Serial No.

NM-59392

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

Lusk AHB Federal #5H

8. Well Name and No.

3002S 311S1

9. API Well No.

Undesignated 2nd Bone Spring

10. Field and Pool or Exploratory Area

Lea County, New Mexico

11. County or Parish, State

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 checked="" type="checkbox"/> Other Amend Surface Use Plan
	<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 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.)

Yates Petroleum Corporation wishes to amend the Surface Use Plan for the captioned to include one 3 phase 480 volt raptor proof above ground powerline. The proposed powerline will start at the Lusk AHB Federal #5H well location then going to the Lusk AIB #7H following all existing road disturbance the entire length to a tie in point at the Lusk AHB Federal #10H Tank Battery.

Please note attached plats.

Thank you.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Title Land Regulatory Agent

Signature

Cy Cowan

Date 01/30/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

SEP 9 2014

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 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)

SEP 19 2014

OWNER: USA
LESSEE: KENNETH SMITH INC.

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Table 1: Pole Locations and Bearings (Left Section)

Pole	Bearing	Distance
POLE 15	S63°53'10"E	525.0
N. 32°37'24.51"		
W. 103°44'38.06"		
LEASE ROAD		
ACAVE BPL		
P.L. 86°54'28" LI		
POLE 14	N72°50'02"W	1330.8
P.L. 51°39'32" RI		
POLE 13	N24°07'29"W	230.4
POLE 12	N62°46'59"E	163.2
P.L. 62°02'31" RI		
POLE 11		
POLE 10		
POLE 9		
POLE 8		
ELECTRIC LINE		
LEASE ROAD		
P.L. 49°07'26" RI		
POLE 7		
POLE 6		
BW FENCE		
POLE 5		
POLE 4		
P.L. 11°32'45" LI		
POLE 3		
DCP BPL		
POLE 2		
B.O.L. @ EXISTING		
ELECTRIC LINE		
POLE 1		
N. 32°37'21.43"		
W. 103°44'04.92"		

Table 2: Pole Locations and Bearings (Right Section)

Pole	Bearing	Distance
POLE 15	S63°53'10"E	525.0
N. 32°37'24.51"		
W. 103°44'38.06"		
LEASE ROAD		
ACAVE BPL		
P.L. 86°54'28" LI		
POLE 14	N72°50'02"W	1330.8
P.L. 51°39'32" RI		
POLE 13	N24°07'29"W	230.4
POLE 12	N62°46'59"E	163.2
P.L. 62°02'31" RI		
POLE 11		
POLE 10		
POLE 9		
POLE 8		
ELECTRIC LINE		
LEASE ROAD		
P.L. 49°07'26" RI		
POLE 7		
POLE 6		
BW FENCE		
POLE 5		
POLE 4		
P.L. 11°32'45" LI		
POLE 3		
DCP BPL		
POLE 2		
B.O.L. @ EXISTING		
ELECTRIC LINE		
POLE 1		
N. 32°37'21.43"		
W. 103°44'04.92"		

Table 3: Pole Locations and Bearings (Right Section)

Pole	Bearing	Distance
POLE 15	S63°53'10"E	525.0
N. 32°37'24.51"		
W. 103°44'38.06"		
LEASE ROAD		
ACAVE BPL		
P.L. 86°54'28" LI		
POLE 14	N72°50'02"W	1330.8
P.L. 51°39'32" RI		
POLE 13	N24°07'29"W	230.4
POLE 12	N62°46'59"E	163.2
P.L. 62°02'31" RI		
POLE 11		
POLE 10		
POLE 9		
POLE 8		
ELECTRIC LINE		
LEASE ROAD		
P.L. 49°07'26" RI		
POLE 7		
POLE 6		
BW FENCE		
POLE 5		
POLE 4		
P.L. 11°32'45" LI		
POLE 3		
DCP BPL		
POLE 2		
B.O.L. @ EXISTING		
ELECTRIC LINE		
POLE 1		
N. 32°37'21.43"		
W. 103°44'04.92"		

Table 4: Pole Locations and Bearings (Right Section)

Pole	Bearing	Distance
POLE 15	S63°53'10"E	525.0
N. 32°37'24.51"		
W. 103°44'38.06"		
LEASE ROAD		
ACAVE BPL		
P.L. 86°54'28" LI		
POLE 14	N72°50'02"W	1330.8
P.L. 51°39'32" RI		
POLE 13	N24°07'29"W	230.4
POLE 12	N62°46'59"E	163.2
P.L. 62°02'31" RI		
POLE 11		
POLE 10		
POLE 9		
POLE 8		
ELECTRIC LINE		
LEASE ROAD		
P.L. 49°07'26" RI		

W.O. Number: 30294	Drawn By: K. NORRIS	Date: 04-07-2014	Survey Date: 04-01-2014	Sheet 1 of 1 Sheets
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Company Reference: Yates Petroleum Corporation
Well No. & Name: Lusk AHB Federal #5H

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

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 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. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert

approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. 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 the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. 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 actions to prevent the loss of significant 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.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in

lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.