Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

NMOCD Hobbs

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

					TIL
CHINDDY	NOTICES	ANID	DEDODTE	ONIMELI	0 1 1
SUNDKI	NOTICES	AND	REPORTS	ON WELL	_3
 	t- 6 6			4	

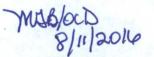
Do not use this form for proposals to drill or to re-enter an

NMNM59392

5 Lease Serial No.

abandoned we	II. Use form 3160-3 (APL	o) for such proposals.	6. 11 Indian, Allotte	e or Tribe Name			
SUBMIT IN TRI	PLICATE - Other instruc			greement, Name and/or No.			
1. Type of Well	8. Well Name and N	8. Well Name and No.					
☑ Oil Well ☐ Gas Well ☐ Ott		LUSK AHB FEDERAL 10H					
Name of Operator YATES PETROLEUM CORP	9. API Well No. 30-025-40990	9. API Well No. 30-025-40990-00-S1					
3a. Address 105 SOUTH FOURTH STREE ARTESIA, NM 88210	₹T	3b. Phone No. (include area code Ph: 575-748-4168 Fx: 575-748-4585	10. Field and Pool, LUSK	10. Field and Pool, or Exploratory LUSK			
4. Location of Well (Footage, Sec., 7	C., R., M., or Survey Description		11. County or Paris	11. County or Parish, and State			
Sec 35 T19S R32E NWNW 1	50FNL 660FWL		LEA COUNTY	Y, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, REPORT, OR OTH	IER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent ■	Acidize	Acidize Deepen Proc		☐ Water Shut-Off			
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	■ Well Integrity			
☐ Subsequent Report	☐ Casing Repair	■ New Construction	☐ Recomplete	⊘ Other			
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari			
	Convert to Injection	☐ Plug Back	■ Water Disposal				
abnormal system pressures in the volume can easily fluctuate. Average Daily oil = 67 BPD Estimated Flare per day = 149 This circumstantial flare could hours cumulative authorized u	e. 9 +/- MCF result longer than 24 hour	r period and possibly more the	nan the 144				
14. I hereby certify that the foregoing is	Electronic Submission #3 For YATES PETRO	43307 verified by the BLM We OLEUM CORPORATION, sent ssing by PRISCILLA PEREZ of	to the Hobbs				
Name (Printed/Typed) TINA HUE							
Signature (Electronic S		Date 06/28/2		ATTENDED TO SECTION			
	THIS SPACE FO	R FEDERAL OR STATE	OFFICE USE				
Approved By /S/ DAV	DR.GLAS	S Title PET	ROLEUM ENGINEER	BUL 2 6 2018			
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu-	itable title to those rights in the						
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s				or agency of the United			

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



SEE ATTACHED FOR CONDITIONS OF APPROVAL

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
(575) 234-5972
Venting and/or Flaring
Conditions of Approval

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes, and volumes), and has determined the following Conditions of Approval apply.

Conditions of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. 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.
- Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.