

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. NMNM110835 |
| 2. Name of Operator YATES PETROLEUM CORPORATION | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585 | 8. Well Name and No. RESOLUTE BTO FEDERAL COM 1H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T25S R32E NENE 50FNL 440FEL 32.090808 N Lat, 103.371669 W Lon | 9. API Well No. 30-025-42214-00-S1 |
| | 10. Field and Pool, or Exploratory WC-025 G08 S253235G |
| | 11. County or Parish, and State LEA 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 type="checkbox"/> Other |
| | <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 checked="" 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 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 is submitting an application for water pursuant to order #7 and requests your approval. The well at present produces an average of 1500-2000 bbls water per day. The water will be stored in 2-500 bbl tanks and will be pipelined to the Allen B Federal SWD #1 located in Unit G of Sec 28-T24S-R32E SWD-1301 or Jackson Federal SWD #1 located in Unit D of Sec 26-T24S-R32E SWD-1308-A or Satchmo SWD State #1 located in Unit B of Sec 36-T25S-R31E SWD-1472.

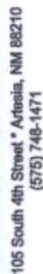
Site Security Diagram of the facility attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #305172 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by LINDA JIMENEZ on 08/03/2015 (15LJ1368SE) | |
| Name (Printed/Typed) TINA HUERTA | Title REG REPORTING SUPERVISOR |
| Signature (Electronic Submission) | Date 06/16/2015 |
| 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 **

OCT 15 2015



Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 10/2/15

Gracia Demetri

API - 3002539525



Tank #66236
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #66237

Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #66238

| | | |
|---------|-------------|--------|
| Valve 1 | Tank Sealed | Closed |
| Valve 2 | Tank Open | |
| Valve 3 | Tank Sealed | Closed |
| Valve 4 | Tank Sealed | Closed |

Production Phase:

Tank #66236
Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #66237

Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #66238

| | | | |
|---------|------|--------|--------|
| Valve 1 | Tank | Sealed | Closed |
| Valve 2 | Tank | Sealed | Closed |
| Valve 3 | Tank | Sealed | Closed |
| Valve 4 | Tank | Sealed | Closed |

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