

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM 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		8. Well Name and No. Multiple--See Attached
2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA Email: tinah@yatespetroleum.com		9. API Well No. Multiple--See Attached
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4168 Fx: 575-748-4585	10. Field and Pool, or Exploratory Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		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.)

Yates Petroleum Corporation is requesting permission to flare until June 29, 2016 due to abnormal system pressures in Agave lines. The possibility of flare will be inconsistent; therefore, the volume can easily fluctuate.

NM OIL CONSERVATION
ARTESIA DISTRICT

Flaring will be at the Adeline ALN Federal Battery which includes:

Adeline ALN Federal #1 - 30-015-20939
Adeline ALN Federal #2 - 30-015-27241
Adeline ALN Federal #3 - 30-015-27244
Adeline ALN Federal #4 - 30-015-35523
Adeline ALN Federal #5 - 30-015-36090
Adeline ALN Federal #6 - 30-015-32013
Adeline ALN Federal #7 - 30-015-27248

APR 18 2016
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD Artesia
AB

14. I hereby certify that the foregoing is true and correct. Electronic Submission #334523 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by ASHLEY PEREZ on 03/25/2016 (16AP00749E)	
Name (Printed/Typed) TINA HUERTA	Title REG REPORTING SUPERVISOR
Signature (Electronic Submission)	Date 03/23/2016
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.	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.	

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

Additional data for EC transaction #334523 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM82904	NMNM82904	ADELINE ALN FED 1	30-015-20939-00-S1	Sec 6 T24S R31E SENW 1980FNL 1980FWL
NMNM82904	NMNM82904	ADELINE ALN FED 10	30-015-31574-00-S1	Sec 6 T24S R31E NWSE 1980FSL 1830FEL
NMNM82904	NMNM82904	ADELINE ALN FED 11	30-015-31885-00-S1	Sec 6 T24S R31E NESW 1650FSL 2310FWL
NMNM82904	NMNM82904	ADELINE ALN FED 13	30-015-32942-00-S1	Sec 6 T24S R31E SWSW 330FSL 530FWL
NMNM82904	NMNM82904	ADELINE ALN FED 15	30-015-27328-00-S1	Sec 6 T24S R31E SWSE 990FSL 1650FEL
NMNM82904	NMNM82904	ADELINE ALN FED 16	30-015-27280-00-S1	Sec 6 T24S R31E SESE 660FSL 330FEL
NMNM82904	NMNM82904	ADELINE ALN FED 17	30-015-27281-00-S1	Sec 5 T24S R31E SWSW 660FSL 990FWL
NMNM82904	NMNM82904	ADELINE ALN FED 2	30-015-27241-00-S1	Sec 6 T24S R31E NENE 660FNL 760FEL
NMNM82904	NMNM82904	ADELINE ALN FED 3	30-015-27244-00-S1	Sec 6 T24S R31E NWNE 660FNL 1980FEL
NMNM82904	NMNM82904	ADELINE ALN FED 7	30-015-27248-00-S1	Sec 6 T24S R31E SWNE 1980FNL 1980FEL
NMNM82904	NMNM82904	ADELINE ALN FED 8	30-015-27249-00-S1	Sec 6 T24S R31E SENE 1980FNL 660FEL
NMNM82904	NMNM82904	ADELINE ALN FED 9	30-015-27250-00-S1	Sec 6 T24S R31E NESE 1980FSL 330FEL
NMNM82904	NMNM82904	ADELINE ALN FEDERAL 12	30-015-32014-00-S1	Sec 6 T24S R31E NWSW 1800FSL 330FWL
NMNM82904	NMNM82904	ADELINE ALN FEDERAL 4	30-015-35523-00-S1	Sec 6 T24S R31E NENW 660FNL 1980FWL
NMNM82904	NMNM82904	ADELINE ALN FEDERAL 5	30-015-36090-00-S1	Sec 6 T24S R31E NWNW 330FNL 990FWL
NMNM82904	NMNM82904	ADELINE ALN FEDERAL 6	30-015-32013-00-S1	Sec 6 T24S R31E SWNW 2310FNL 330FWL

10. Field and Pool, continued

WILDCAT

32. Additional remarks, continued

Adeline ALN Federal #8 - 30-015-27249
Adeline ALN Federal #9 - 30-015-27250
Adeline ALN Federal #10 - 30-015-31574
Adeline ALN Federal #11 - 30-015-31885
Adeline ALN Federal #12 - 30-015-32014
Adeline ALN Federal #13 - 30-015-32942
Adeline ALN Federal #15 - 30-015-27328
Adeline ALN Federal #16 - 30-015-27280
Adeline ALN Federal #17 - 30-015-27281

Average Daily oil = 71 BPD
Estimated Flare per day = 303 +/- MCF

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

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

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.

Condition 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.
5. 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.