

OCD Artesia

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

| |
|--------------------------------------|
| 5. Lease Serial No. NM-100549 |
| 6. If Indian, Allottee or Tribe Name |

SUBMIT IN TRIPLICATE – Other instructions on page 2.

| | |
|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 7. If Unit of CA/Agreement, Name and/or No. |
| 2. Name of Operator Yates Petroleum Corporation | 8. Well Name and No. Blast BLA Federal #8H and #9H |
| 3a. Address 105 South Fourth Street, Artesia, New Mexico 88210 | 9. API Well No. |
| 3b. Phone No. (include area code) 575-748-4372 | 10. Field and Pool or Exploratory Area Undesignated 2nd Bone Spring |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 360' FSL and 15' FEL Section, 20, T26S-R27E Blast BLA Federal #8H 360' FSL and 15' FWL Section 21, T26S-R27E Blast BLA Federal #9H | 11. County or Parish, State Eddy County, New Mexico |

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 <u>Power line route for</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Blast BLA Federal</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <u>#8H and #9H</u> |

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 recomplete 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 recompletion 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 Blast BLA Federal well #8H and Blast BLA Federal #9H to include one (1) 480 volt three phase raptor proof above ground power line.

The main powerline for the entire project will run north to south. The main powerline will start at a tie-in point in the NE/NE/4 of Section 20 and run south down the east side of Section 20 to its end point being approximately 3800' to the south.

At this point from the main power line a connecting line will go east for 505.3 feet to the south side of the proposed Blast BLA Federal #8H and Blast BLA Federal 9H to supply these wells with power.

Please note attached Exhibits A and A'.

Thank you.

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 26 2016

RECEIVED

PCW
09-17-16

| | |
|---|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cy Cowan | Title Land Regulatory Agent |
| Signature | Date 11/18/2015 |

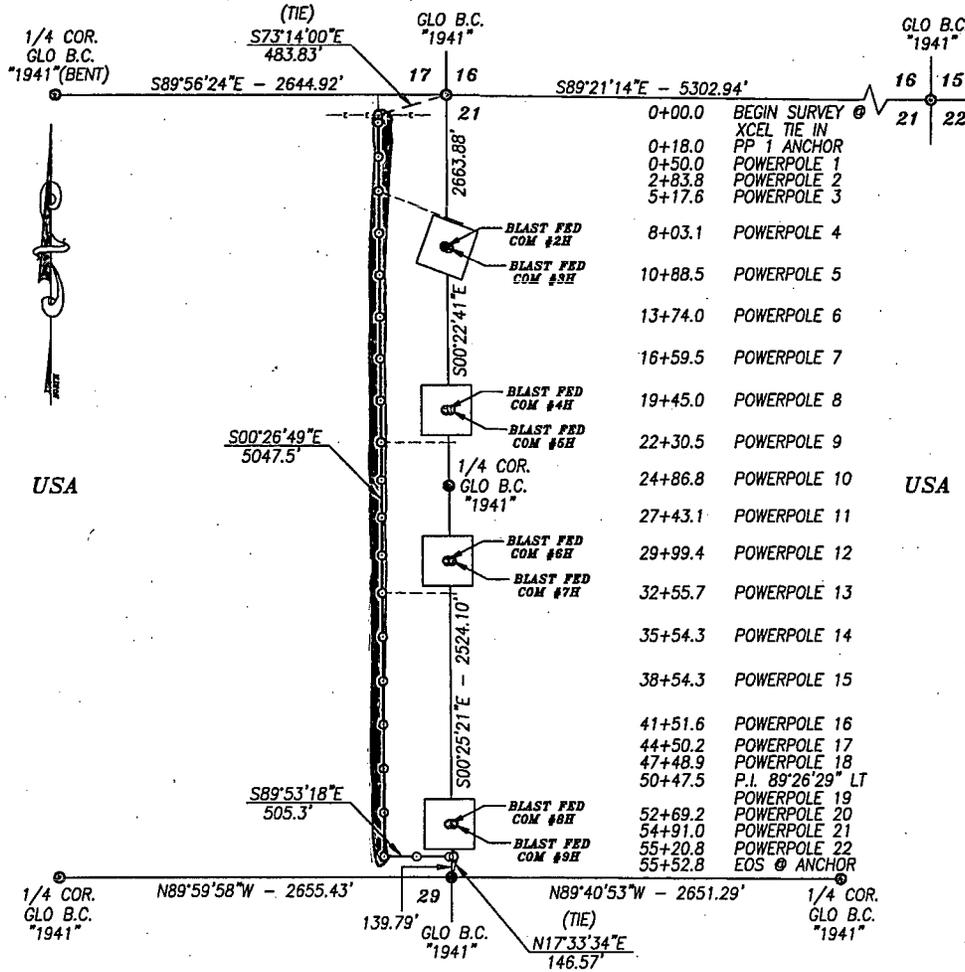
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|----------------------------|----------------------|
| Approved by | Title FIELD MANAGER | Date <i>09/19/16</i> |
| 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 CARLSBAD FIELD 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.

SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Exhibit A



DESCRIPTION

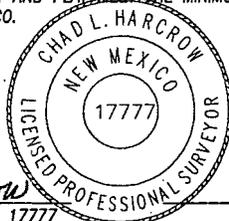
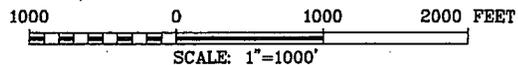
A STRIP OF LAND 30.0 FEET WIDE AND 5616.8 FEET OR 340.41 RODS OR 1.064 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY; WITH ANCHORS EXTENDING 32 FEET FURTHER AND RIGHT AT POWERPOLE 19; WHICH HAVE BEEN ACCOUNTED FOR IN FOOTAGES, RODS, AND MILES.

BASIS OF BEARING:
 BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

HARCROW SURVEYING, LLC
 2314 W. MAIN ST, ARTESIA, N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



CERTIFICATION
 I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

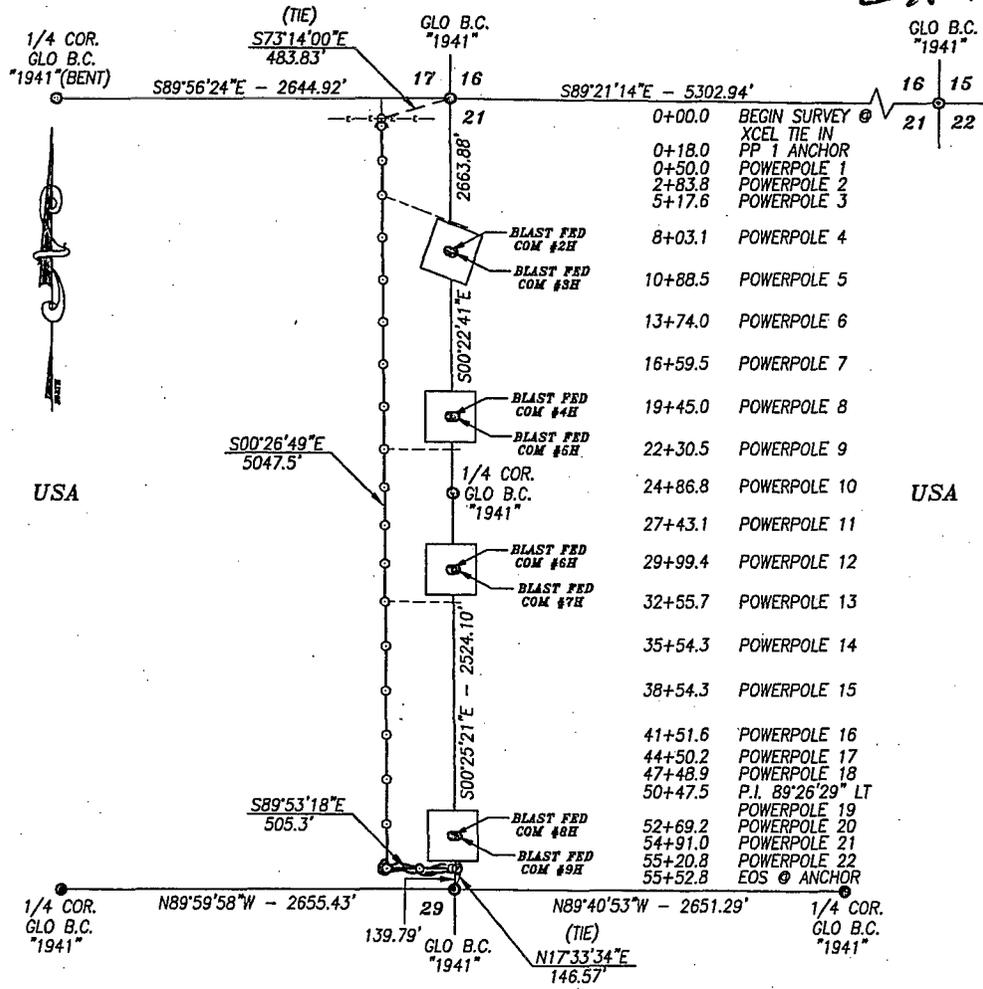


Chad Harcrow
 CHAD HARCROW N.M.P.S. NO. 17777
 9/8/14
 DATE

| YATES PETROLEUM CORP. | |
|---|--------------|
| SURVEY OF A PROPOSED POWERLINE LOCATED IN SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, EDDY COUNTY, NMPM, NEW MEXICO | |
| SURVEY DATE: AUGUST 22, 2014 | MAIN LINE B |
| DRAFTING DATE: AUGUST 29, 2014 | PAGE 1 OF 1 |
| APPROVED BY: CH | DRAWN BY: SP |
| | FILE: 14-739 |

SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Exhibit A



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 5616.8 FEET OR 340.41 RODS OR 1.064 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY; WITH ANCHORS EXTENDING 32 FEET FURTHER AND RIGHT AT POWERPOLE 19; WHICH HAVE BEEN ACCOUNTED FOR IN FOOTAGES, RODS, AND MILES.

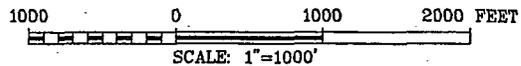
BASIS OF BEARING:
 BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

CERTIFICATION
 I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



Chad Harcrow
 CHAD HARCROW N.M.P.S. NO. 17777
 9/8/14
 DATE

HARCROW SURVEYING, LLC
 2314 W. MAIN ST, ARTESIA, N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



| YATES PETROLEUM CORP. | |
|---|--------------|
| SURVEY OF A PROPOSED POWERLINE LOCATED IN SECTIONS 20 & 21, TOWNSHIP 26 SOUTH, RANGE 27 EAST, EDDY COUNTY, NMPM, NEW MEXICO | |
| SURVEY DATE: AUGUST 22, 2014 | MAIN LINE B |
| DRAFTING DATE: AUGUST 29, 2014 | PAGE 1 OF 1 |
| APPROVED BY: CH | DRAWN BY: SP |
| | FILE: 14-739 |

Company Reference: Yates Petroleum Corporation
Well No. & Name: Blast BLA Federal #8H And 9H

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.

Cave and Karst:

Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the

possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features. The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required.

Seed Mixture 1 for Loamy Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| <u>Species</u> | <u>lb/acre</u> |
|--|----------------|
| Plains lovegrass (Eragrostis intermedia) | 0.5 |
| Sand dropseed (Sporobolus cryptandrus) | 1.0 |
| Sideoats grama (Bouteloua curtipendula) | 5.0 |
| Plains bristlegrass (Setaria macrostachya) | 2.0 |

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed