

OCD-ARTESIAForm 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0125
Expires March 31, 1993**RECEIVED****DEC - 2 2009****NMOCD ARTESIA**

SUBMIT IN TRIPLICATE

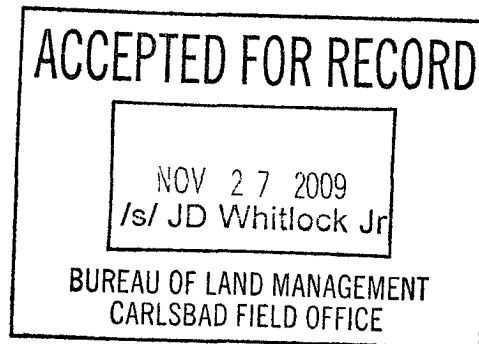
1 Type of Well Oil Gas <input type="checkbox"/> Well <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other	5 Lease Designation and Serial No NM-9402
2 Name of Operator Yates Petroleum Corporation	6 If Indian, Allottee or Tribe Name
3 Address and Telephone No 105 South 4 th Street, Artesia, NM 88210 (505) 748-1471	7 If Unit or CA, Agreement Designation
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 760' FSL & 260' FEL (SESE) Unit P Sec-18-T16S-R25E At Surface 760' FSL & 660' FWL (SWSW) Unit M Sec-18-T16S-R25E BHL	8 Well Name and No Cottonwood KI Federal Com #4H
	9 API Well No 30-015-36404
	10 Field and Pool, or Exploratory Area Cottonwood Creek; Wolfcamp
	11 County or Parish, State Eddy County, New Mexico

12 CHECK APPROPRIATE BOX(S) 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"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 250 Bbls of water per day from Cottonwood Creek; Wolfcamp. The water will be stored in 2-500/210 Fbgl tanks and will be transported by Jim's Water Service to the Mitchell SWD #2. Located at Sec-23-17S-25E. Order R-5602. If the System is down it will be trucked by the lowest bid company.

**SUBJECT TO LIKE
APPROVAL BY STATE****SUBJECT TO LIKE
APPROVAL BY STATE**RI-NM ocd
12/10/09SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Signed Yates Petroleum Title Production Secretary Date May 6, 2009

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any.

Title 18 U.S.C. Section 1001, makes 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

*See Instruction on Reverse Side

**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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. 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.
9. If system is down prior to hauling to an alternate disposal site it must be approved.