

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
Budget Bureau No. 11004-0145
Expires March 31, 1993

RECEIVED

DEC - 2 2009

NMOCD ARTESIA

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1 Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

2 Name of Operator

Yates Petroleum Corporation

3 Address and Telephone No

105 South 4th Street, Artesia, NM 88210 (505) 748-1471

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL & 1980' FWL (NESW) Unit K Sec-9-T22S-R24E

5 Lease Designation and Serial No
NM-78214

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No

Anemone ANE Federal #1

9 API Well No

30-015-28041

10 Field and Pool, or Exploratory Area

Indian Basin/Upper Penn

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

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ 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 0-100 Bbls of water per day from the Indian Basin / Upper Penn. The water will be stored in 2-1000 Fbgl's tank and will be pipeline to the State D #1 location 16-20S-24E SE, SW order # SWD-395, or Archimedes SWD #1 location 18-21S-24E NW, SE order # SWD-852, or Mimosa #1 SWD location 4-20S-24E NE, SE order # SWD-408, or Mimosa AHS Fed SWD #3Y location 4-20S-24E SE, SE order # SWD-645, or Mimosa #4 SWD location 4-20S-24E SE, SW, order # SWD-474. If the System is down it will be trucked by the lowest bid company.

SUBJECT TO LIKE
APPROVAL BY STATE

RT - NMOCD
12/10/09

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD

NOV 27 2009

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct

Signed

Mate Reyes

Title Production Secretary

Date November 11, 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.