

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |  | 5. Lease Serial No.<br>NMNM57274                             |
| 2. Name of Operator<br>YATES PETROLEUM CORPORATION   |  | 6. If Indian, Allottee or Tribe Name                         |
| 3a. Address<br>105 SOUTH FOURTH STREET<br>ARTESIA, NM 88210  |  | 7. If Unit or CA/Agreement, Name and/or No.                  |
| 3b. Phone No. (include area code)<br>Ph: 505.748.4205  |  | 8. Well Name and No.<br>Multiple--See Attached               |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Multiple--See Attached                                 |  | 9. API Well No.<br>Multiple--See Attached                    |
|  |  | 10. Field and Pool, or Exploratory<br>Multiple--See Attached |
|  |  | 11. County or Parish, and State<br>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       | Production Facility Changes               |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

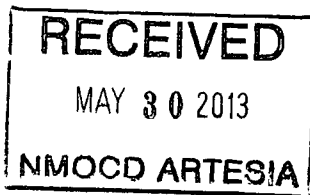
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 respectfully requests to install a lact system for oil sales.

Also, we are submitting the attached updated site facility diagram to include the use of a vapor recovery system.

Wells associated to battery include:  
Haracz AMO Federal #1H, #2H, #8H, #9H

*Wade*  
Accepted for record  
NMOCD



**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

|   |                 |
|---|-----------------|
| 14. I hereby certify that the foregoing is true and correct.<br>Electronic Submission #205454 verified by the BLM Well Information System<br>For YATES PETROLEUM CORPORATION, sent to the Carlsbad<br>Committed to AFMSS for processing by JOHNNY DICKERSON on 04/30/2013 (13JLD0670SE) |                 |
| Name (Printed/Typed) MICHELLE TAYLOR  | Title           |
| Signature (Electronic Submission)   | Date 04/25/2013 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE  |                 |
| Approved By JERRY BLAKLEY <i>Jerry Blakley</i>  | Title LEAD PET  |
| 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 |
| <div style="border: 2px solid black; padding: 5px; text-align: center;"> <b>APPROVED</b><br/>MAY 29 2013         </div>   |                 |
| Date 05/29/2013   |                 |
| 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.   |                 |

Additional data for EC transaction #205454 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease     | Well/Fac Name, Number | API Number         | Location                             |
|-----------|-----------|-----------------------|--------------------|--------------------------------------|
| NMNM57274 | NMNM57274 | HARACZ AMO FED 8H     | 30-015-36778-00-S1 | Sec 23 T24S R31E SWSE 330FSL 1980FEL |
| NMNM57274 | NMNM57274 | HARACZ AMO FED 2H     | 30-015-36355-00-S1 | Sec 24 T24S R31E SESW 500FSL 1650FWL |
| NMNM57274 | NMNM57274 | HARACZ AMO FEDERAL 1H | 30-015-36354-00-S1 | 32.197374 N Lat, 103.733625 W Lon    |
| NMNM57274 | NMNM57274 | HARACZ AMO FEDERAL 9H | 30-015-37153-00-S1 | Sec 24 T24S R31E SWSW 330FSL 660FWL  |
|           |           |                       |                    | 32.197374 N Lat, 103.737913 W Lon    |
|           |           |                       |                    | Sec 23 T24S R31E SESE 330FSL 660FEL  |

10. Field and Pool, continued

POKER LAKE DELAWARE EAST  
UNDESIGNATED

**LACT Meter  
Conditions of Approval**

- 1. The LACT meter shall be designed, installed and operated in accordance with all applicable API standards, including API 5.6, as may be amended or revised from time to time.**
- 2. The metering facility shall include a temperature probe to monitor the actual oil temperature during custody transfer. This information will be recorded and used in calculating the volume of oil metered during each transaction.**
- 3. The meter shall have a non-resettable totalizer.**
- 4. The custody transfer meter shall be proven and in conformance with Onshore Oil and Gas Order No. 4.III.D. The meter proving is to be witnessed by BLM, contact 575-361-2822; a minimum of 24 hours prior to meter proving. Meter proving records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.**
- 5. A copy of the meter proving will be submitted to the appropriate BLM office.**
- 6. The run ticket associated with each oil transfer shall include the measured or calculated BS&W, oil gravity and temperature recorded during the transfer. Such records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.**
- 7. Operator to maintain tank gauging data to be used as a comparison with the LACT meter readings.**
- 8. All other provisions of the Onshore Oil and Gas Orders, especially No. 3 and No. 4 shall be met.**
- 9. This approval may be subject to future review and if determined inadequate with regards to accurate measurement, the approval will be withdrawn.**

**JDB432013**