

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-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.

5. Lease Serial No.
NMLC028978B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
BENSON DEEP AAS FEDERAL COM 2H

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: BRITNYE GURULE
E-Mail: bgurule@yatespetroleum.com

9. API Well No.
30-015-41247

3a. Address
105 SOUTH 4TH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4281/

10. Field and Pool, or Exploratory
LEO; BONE SPRING S

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 33 T18S R30E NWNW 660FNL 300FEL

11. County or Parish, and State
EDDY COUNTY 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon. | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" 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 Corporation is submitting an application for water pursuant to order #7 and requests your approval. The well, at present, produces an average of 200-500 bbls of water per day. The water will be stored in 2-500 bbl tanks and will be trucked by CS&M to the Cigarillo SWD Well No. 1 located at Sec. 36-T23S-R27E, order #SWD-1121.

Also, attached is an updated site security diagram of the facility.

Accepted for record
NMOCDC jes
6-17-14

NM OIL CONSERVATION
ARTESIA DISTRICT

JUN 16 2014

RECEIVED

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #247336 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by LINDA DENNISTON on 06/03/2014 ()**

Name (Printed/Typed) BRITNYE GURULE

Title REPORTING CLERK

Signature (Electronic Submission)

Date 05/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By

Title

JUN 9 2014

Date

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

JAMES A. AMOS
SUPERVISOR, EPS

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

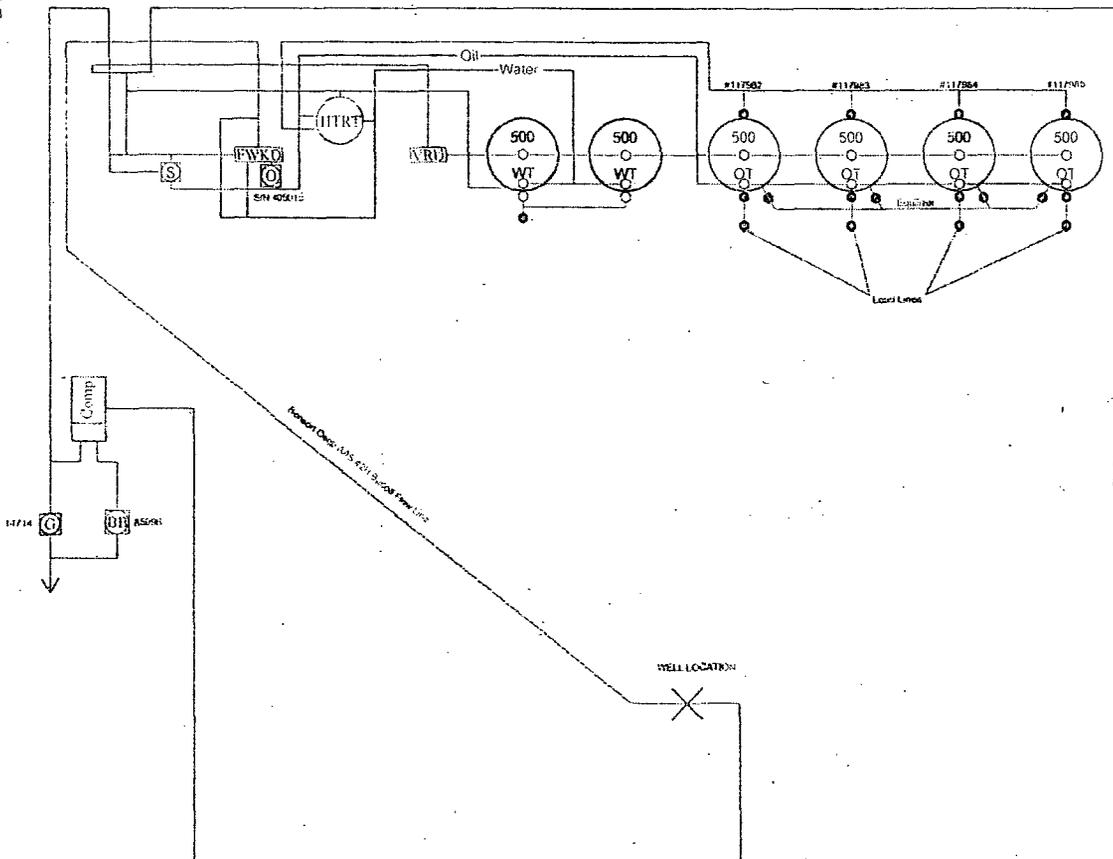
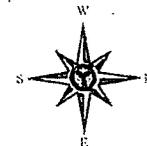


105 South 4th Street * Artesia, NM 88210
(575) 748-1471

-Joe Palma
-May, 2013

Benson Deep AAS Federal Com #2H

660' FNL & 300' FWL * Sec 33 - T18S-R30E* Unit D
Eddy County, NM
API - 3001541247



- - Valve Closed
- - Valve Open
- G - Gas Meter
- FWKO - Flow Valve Assembly
- S - Separator
- O - Oil/Water Separator
- HTRT - Header Tank

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
If BLM Objectives are not achieved,
additional work may be required.
Date: 6-9-14
Signature: *Joe Palma*

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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.

6/2/14