Form 3160-5. (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Expires: July 3 5. Lease Serial No. NMNM94614

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

abandoned well. Use form 3160-3 (APD) for such proposals.					b. 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					8. Well Name and No. CHECKER BIC FEDERAL COM #4H			
					9. API Well No.			
YATES PETROLEUM CORPORATION€-Mail: bgurule@yatespetroleum.com					30-015-40962			
3a. Address 105 SOUTH 4TH STR. ARTESIA, NM 88210	. (include area code 8-4281/)	10. Field and Pool, or Exploratory HACKBERRY; BONE SPRING					
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, and State			
Sec 9 T19S R31E NENE 660FNL 330FEL					EDDY COUNTY, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO) INDICATE	NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA		
TYPE OF SUBMISSION TYPE OF ACTION								
Notice of Intent	☐ Acidize	☐ Dee	☐ Deepen		☐ Production (Start/Resume)		■ Water Shut-Off	
	☐ Alter Casing	☐ Frac	☐ Fracture Treat		☐ Reclamation		■ Well Integrity	
☐ Subsequent Report ☐ Casing Repair		□ New	Construction	☐ Recomp	☐ Recomplete			
☐ Final Abandonment Notice	☐ Change Plans	□ Plug	and Abandon		rarily Abandon			
	□ Convert to Injection	Plug	Back	⊠ Water D	Water Disposal			
determined that the site is ready for five Yates Petroleum Corporation requests your approval. The Nater will be stored in 2-5 Well No. 8 located at Sec. 16-	is submitting an application well, at present, produces 00 bbl tanks and will be t T22S-R32E, order #SWD	an average of rucked by De 0-510. — NM OIL CO ARTES	of 540 bbls of wa	ater per day. AKX State • ON	SEE ATTACHED	FOR		
Accepted for record CONDITIONS OF APPROVAL NMOCD RECEIVED								
		NL.	CLIVED					
14. I hereby certify that the foregoing is Name(Printed/Typed) BRITNYE	true and correct. Electronic Submission # For YATES PETRO Committed to AFMSS for	DLEUM CORP	ORÁTION, sent t by LINDA DENNIS	to the Carlsba	ad 2/2014 ()		·	
Signature (Electronic S	Submission)		Date 08/07/2	2014	ADDD	OVED		
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE / ``			
Approved By			Title		DEC	3 2014		
Conditions of approval, if any, are attached. Approval of this notice does not warrant or ertify 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		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe	rson knowingly and ithin its jurisdiction	I willfully to ma			eti —	

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.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14