Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| OCD-ARTES | A | FORM APPROVE OMB NO. 1004-01 Expires: July 31, 20 |
|-----------|---|---|
| | 5 | Lease Serial No. |

E IN

☐ Final Abandonment Notice

| SUNDRY NOTICES AND REPORTS ON WELLS | | | | NMNM31375 | | | |
|--|-------------------|--|--|---------------------------------------|--|-----------------------------------|--|
| NTERED LAFMSS | | is form for proposals to drill or to re-enter an II. Use form 3160-3 (APD) for such proposals. | | | 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. BONNEVILLE AKK FEDERAL 2 | | |
| 2. Name of Operator YATES PETR | or ROLEUM CORP | Contact: ORATIONE-Mail: mmorale | MIRIAM MORALES s@yatespetroleum.com | | 9. API Well No. 30-015-27001 | | |
| 3a. Address 105 S FOURT ARTESIA, NN | | | 3b. Phone No. (include area code Ph: 575-748-4200 | e) | 10. Field and Pool, or LOST TANK;DE | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. County or Parish, and State | | |
| Sec 24 T21S | R31E SESE 66 | 0FSL 200FEL | · | | EDDY COUNTY | r, NM | |
| 12 | . CHECK APP | ROPRIATE BOX(ES) | TO INDICATE NATURE OF | NOTICE, RI | EPORT, OR OTHE | R DATA | |
| TYPE OF SU | BMISSION | TYPE OF ACTION | | | | | |
| Notice of In | | ☐ Acidize ☐ Alter Casing ☐ Casing Repair | □ Deepen □ Fracture Treat □ New Construction | Production (Start/Resume) Reclamation | | □ Water Shut-Off □ Well Integrity | |

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 recomplete 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 recompletion 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.)

☐ Plug Back

■ New Construction

☐ Plug and Abandon

Yates Petroleum Corporation is submitting an updated application for water pursuant to order #7 and requests your approval. The well, at present, produces an average of 70-90 bbls of water per day. The water is stored in a 500bbl tank and is pipelined to the Union AJS Federal SWD #1 located at Sec.8-T21S-R32E, order #SWD-458.

Casing Repair

☐ Change Plans

☐ Convert to Injection

NM OIL CONSERVATION

□ Recomplete

■ Water Disposal

□ Temporarily Abandon

ARTESIA DISTRICT

Accepted for record NMOCD

MAR 1 4 2016

SEE ATTACHED FOR CONDITIONS OF APPROVAL

□ Other

RECEIVED

| | | | VCCC1/CD | | | | |
|---|---|--------------------------|-------------|-------|---------------------------------|--|--|
| 14. I hereby certify that | t the foregoing is true and correct. Electronic Submission #330824 verifie For YATES PETROLEUM CORP | | | | stem | | |
| Name (Printed/Type | d) MIRIAM MORALES | Title PRODUCTION ANALYST | | | | | |
| Signature | (Electronic Submission) | Date | 02/04/2016 | | APPROVED | | |
| | THIS SPACE FOR FEDERA | L OR | STATE OFFIC | E USE | | | |
| Approved By | | Title | | 4 | FEB 2 9 20 5 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 | e | | 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.

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