

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.
NMNM31649

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
MELSON ZS FEDERAL 2H

9. API Well No.
30-015-38665-00-S1

10. Field and Pool, or Exploratory
CORRAL CANYON

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: TINA HUERTA
Mail: tinah@yatespetroleum.com

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4168
Fx: 575-748-4585

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T26S R30E SESE Lot P 330FSL 660FEL

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 Site Facility Diagram/Security Plan |
| | <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 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 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.)

Please see the attached updated site security diagram.

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 21 2016

RECEIVED

Accepted for record
NMOC

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 3/8/16

[Signature]

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

Electronic Submission #332310 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/01/2016 (16PP0591SE)

Name (Printed/Typed) TINA HUERTA Title REG REPORTING SUPERVISOR

Signature (Electronic Submission) Date 02/25/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ 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 _____

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

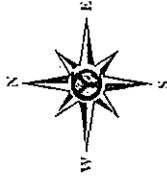


105 South 4th Street, Artesia, NM 88210
(575) 748-1471

-Junior Orquiz
-February, 2016

Melson ZS Federal #2H

330' FSL & 660' FEL * Sec 8 - T26S-R30E* Unit P
Eddy County, NM
API - 30-015-38665



- Valve Closed
- Valve Open
- WJ Water Pump
- FWK() Fire Water Knock Out
- IS Regulator
- HT Heater Treater
- OT - Oil Temperature Meter
- CDP Central Delivery Point
- KM Check Meter

Sales Phase:

Tank #20077
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20078
Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #20079
Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20106
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Production Phase:

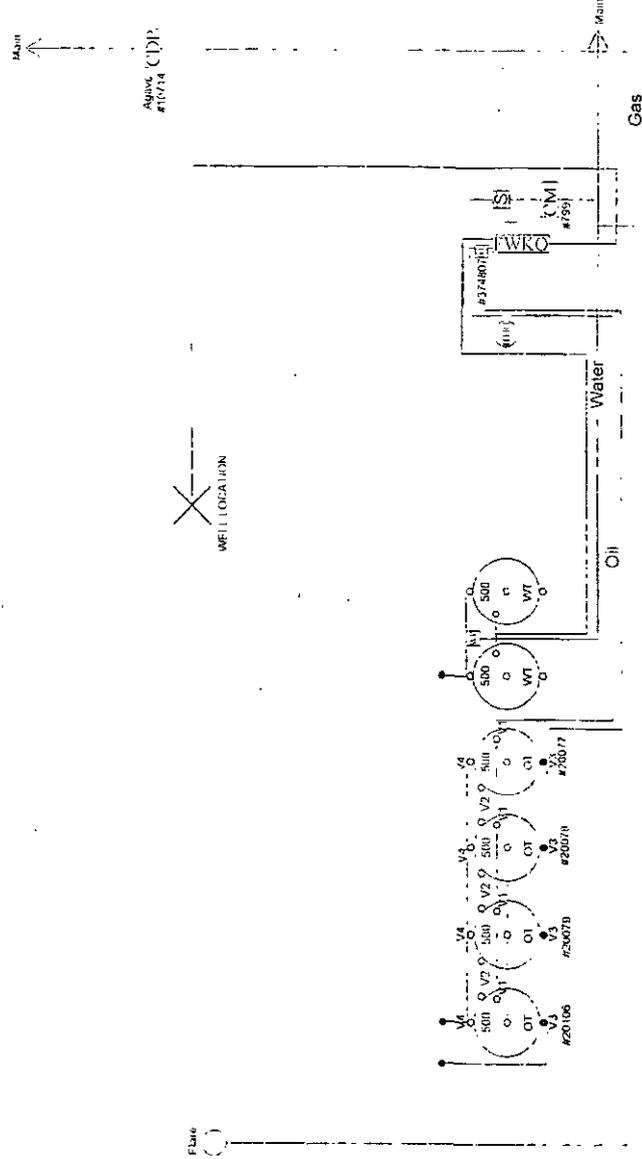
Tank #20077
Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #20078
Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20079
Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20106
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Accepted for Record Purposes.
Date: 3/8/16
Approval Subject to Onsite Inspection.



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