

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD APPROVATION
NEW OIL COMPLETION
ARTESIA DISTRICT
JAN 23 2017
RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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. LC 3247 NMNM 0439491

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

Oil Well Gas Well Other

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

8. Well Name and No. BA
Federal CW #1H

2. Name of Operator Yates Petroleum Corporation

9. API Well No. 30-015-20968

3a. Address 105 S. Fourth St., Artesia, NM 88210

3b. Phone No. (include area code)
(575) 748-4120

10. Field and Pool or Exploratory Area
50270; Penasco Draw; SA, Yeso

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
720' FSL & 1830' FWL, Section 1, T19S-R24E

11. Country or Parish, State
Eddy County

12. CHECK THE 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"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 wishes to amend the Surface Use Plan for the captioned to include two production pipelines being including a 4" buried SDR-7 poly natural gas which will have a working pressure of 150# PSI and 100 mcf per day. The other pipeline will be a 4" DSR-11, buried, poly pipeline with a working pressure of 150# PSI and 100 bpd per day. The flowlines will both start from the northeast corner of the Federal CW #1 battery and continue to the east then north to the Federal CW #2 battery. The entire length of the pipeline is 3197.9 feet with 1516.7 feet on private surface and 1681.2 feet on federal surface. Both lines will be buried in the same ditch and will follow the existing access road from the #1 battery to the #2.

PCM
1-17-2017

in facilities

Accepted for record - NMOCD

Raymond H. Rodney
1/25/17

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Travis Hahn

Title Land Regulatory Representative

Signature *[Signature]*

Date

10/21/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

FIELD MANAGER

Date

1/19/17

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 FIELD 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
LC-3217 *NW 0439491*

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Yates Petroleum Corporation		8. Well Name and No. Federal CW #1 <i>B1H</i>
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) 575-748-4372	9. API Well No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL and 990' FWL Section 1, T19S-R25E		10. Field and Pool or Exploratory Area
		11. County or Parish, State Eddy County, New Mexico

12. CHECK THE 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 Amend Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Use Plan to include
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	pipelines.

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 wishes to amend the Surface Use Plan for the captioned to include two production pipelinelines being (1) 4 inch SDR-7 buried poly natural gas pipeline. This pipeline will have a working pressure of 150# psi and a volume of 100 mcf per day. The second pipeline will be (1) 4 inch DSR-11 poly buried pipeline. This pipeline will have a working pressure of 150# and a volume of 100 bpd. The flowlines will both start from the northeast corner of the Federal CW #1 Battery going east then north to the CW #2 Battery. The entire length of the pipelines will be 3197.9 feet with 1516.7 feet on private surface and 1681.2 feet being on federal surface. Both pipelines will be buried in the same ditch and they will follow the existing access road from the #1 Battery to the #2 Battery. Please note attached plats.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cy Cowan	Title Land Regulatory Agent
Signature <i>Cy Cowan</i>	Date 11/13/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

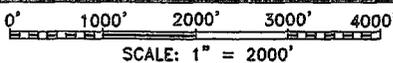
Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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.

PROPOSED FEDERAL CW 1 PIPELINE
 Section 1, Township 19 South, Range 24 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com



SCALE: 1" = 2000'

W.O. Number: JG 31384

Survey Date: 12-24-2014

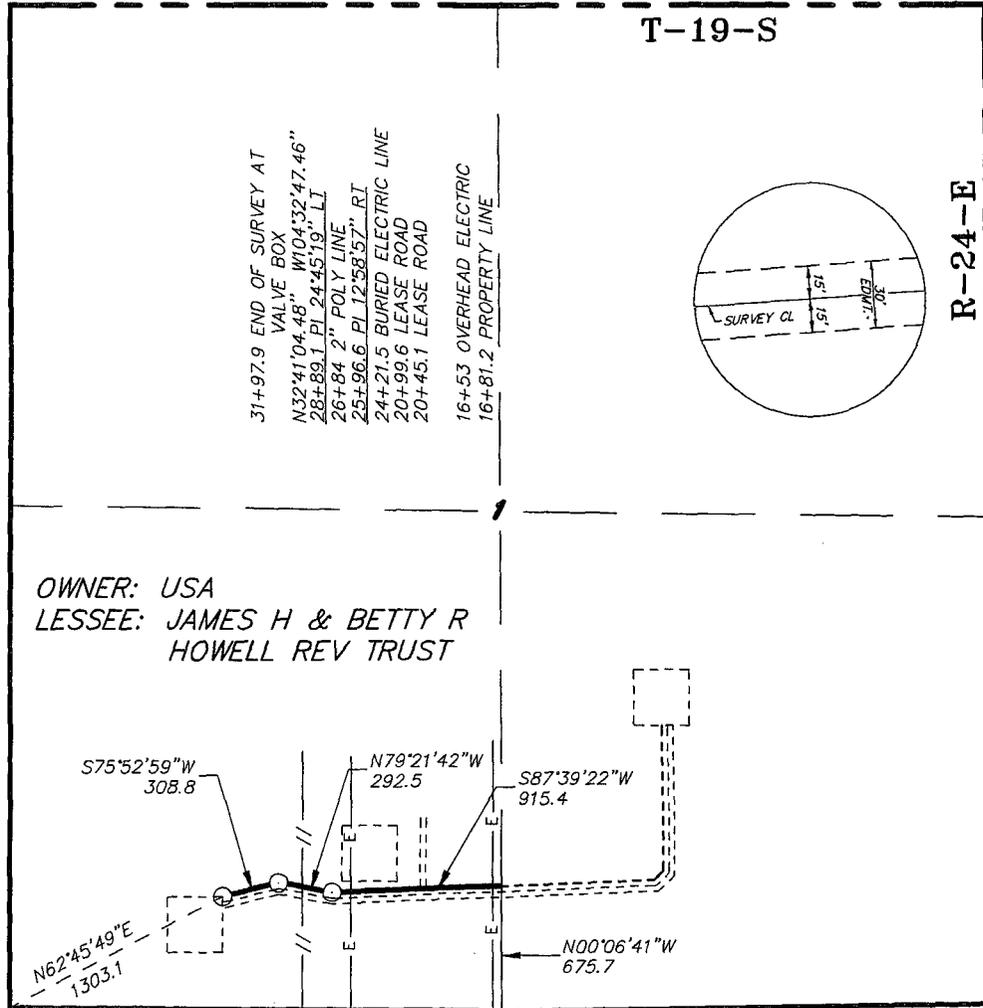
YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST. N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

T-18-S
 T-19-S

R-24-E
 R-25-E



OWNER: USA
 LESSEE: JAMES H & BETTY R
 HOWELL REV TRUST

LEGAL DESCRIPTION

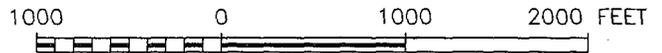
A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

1516.7 FEET = 0.29 MILES = 91.92 RODS = 1.04 ACRES

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACCURATE SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, P.S. No. 7977
 No. 5074



REF: PROP FEDERAL CW 1 PIPELINE

A PIPELINE LOCATED ON USA LAND IN
 SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST.
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

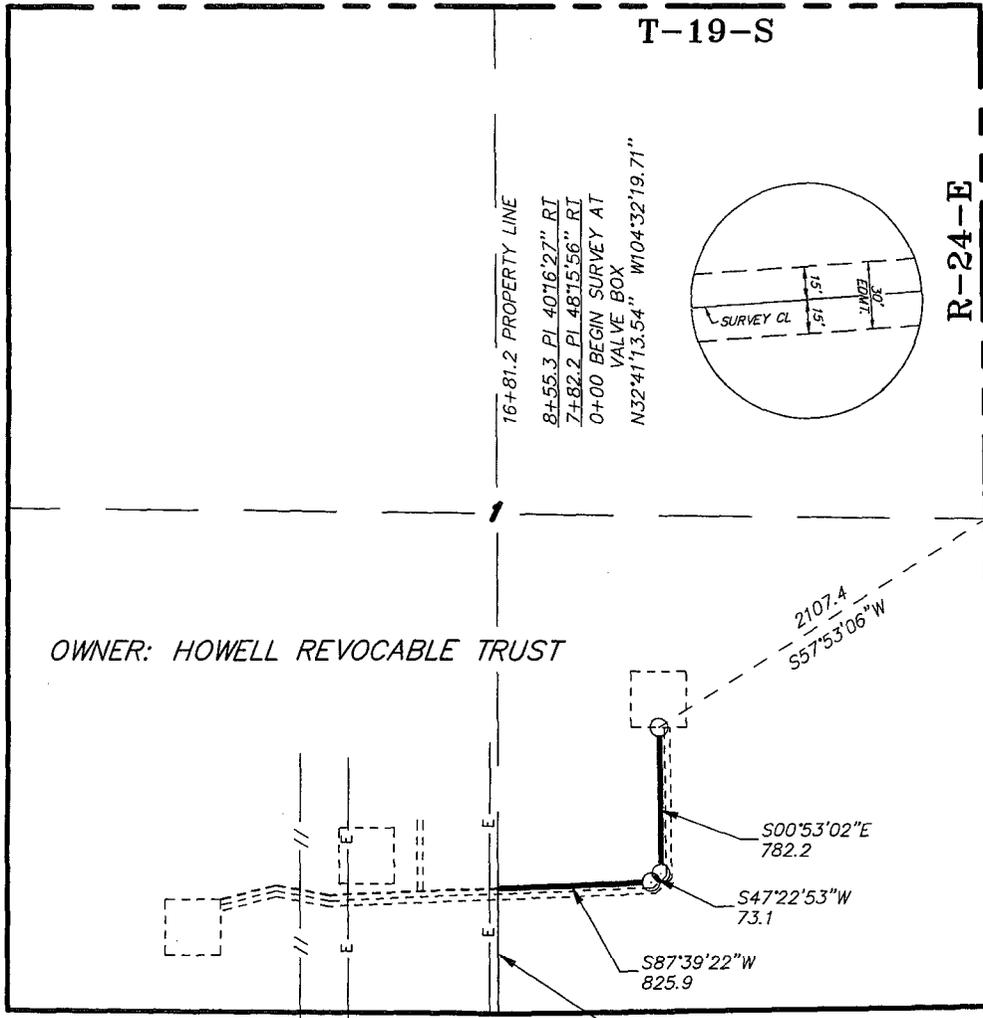
Basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basin-surveys.com

SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST. N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

T-18-S
T-19-S

R-24-E
R-25-E



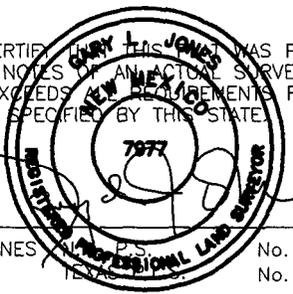
OWNER: HOWELL REVOCABLE TRUST

LEGAL DESCRIPTION

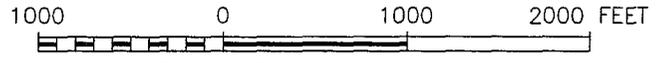
A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S57°53'06"W, 2107.4 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 1; THENCE S00°53'02"E., 782.2 FEET; THENCE S47°22'53"W., 73.1 FEET; THENCE S87°39'22"W., 825.9 FEET TO A POINT ON THE WEST PROPERTY LINE WHICH LIES N00°06'41"W., 675.7 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 1. SAID STRIP OF LAND BEING 1681.2 FEET OR 101.89 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS THE REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, P.L.S. No. 7977
No. 5074



REF: PROP FEDERAL CW 1 PIPELINE

A PIPELINE LOCATED ON FEE LAND IN
SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST.
N.M.P.M., EDDY COUNTY, NEW MEXICO.



P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basinsurveys.com

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|---|---|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input checked="" type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates “Standard Environmental Colors” – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder’s name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations

Aplomado Falcon Habitat Seed Mixture

In order to minimize impacts to aplomado falcon, the following Conditions of Approval will apply:

- No yuccas or trees over 5 feet in height will be damaged, to protect nesting structures.

- All active raptor nests will be avoided by a minimum of 400 meters by all activities or curtail activities until fledging is complete. All inactive raptor nests will be avoided by a minimum of 200 meters by all activities.
- Well pad size will not exceed 300 ft. x 390 ft.
- All roads associated with well development will not exceed 30 ft in width
- Reserve pits for drilling and disposal are not allowed unless the pit can be effectively netted to the satisfaction of the BLM. Steel tank circulation system must be used if the reserve pit is not netted.
- All unused portions of the well pad associated with producing wells will be reclaimed following the abandoned well protocol below
- Final abandonment protocol: Remove all caliche from well pads and roads that are plugged and abandoned. Reclamation will consist of disking, mulching, seeding with a drill (See seed mixture below), and application of water to encourage seed germination.

Buffalograss (<i>Buchloe dactyloides</i>)	4 lbs/acre
Blue grama (<i>Bouteloua gracilis</i>)	1 lbs/acre
Cane bluestem (<i>Bothriochloa barbinodis</i>)	5 lbs/acre
Sideoats grama (<i>Bouteloua curtipendula</i>)	5 lbs/acre
Plains bristlegrass (<i>Setaria macrostachya</i>)	6 lbs/acre