Form 3160-5

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N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenua

DEC 09 2008

UNITED ST**ARTESIA, NM 88210**DEPARTMENT OF THE INTERIOR

FORM APPROVOCD-ARTESIA
Budget Bureau No 1004-0135

(U OF LAND MANAGEMENT	Expires March 31, 1993
SUNDRY NOTICES AND REPORTS ON WELLS		5 Lease Designation and Serial No.
		NM-14293 6 If Indian, Allottee or Tribe Name
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.		6 II Indian, Allottee or Tribe Name
Use "APPLICATION F	OR PERMIT" for such proposals	
SUBMIT IN TRIPLICATE		7 If Unit or CA. Agreement Designation
l Type of Well		8 Well Name and No
Oil Gas		Jervis AYB Federal #7
Well Well Other		
2 Name of Operator		9 API Well No
Yates Petroleum Corporation		30-005-63927
3. Address and Telephone No		10 Field and Pool, or Exploratory Area
105 South 4 th Street, Artesia, NM 88210 (505) 748-1471 4 Location of Well (Footage, Sec., T., R, M., or Survey Description		Pecos Slope; Abo
		11 County or Parish, State Chayer County, New Maying
1973' FNL & 1540' FEL (SWNE) Unit G Sec-11T8S-R26E CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE,		Chavez County, New Mexico
12 CHECK APPROPRIATE E TYPE OF SUBMISSION	TYPE OF ACTION	REPORT, OR OTHER DATA
Notice of Intent	Abandonment	Change of Plans New Construction
Subsequent Report	Recompletion	Non-Routine Fracturing
	Plugging Back Casing Repair	Water Shut-Off
Final Abandonment Notice	Casing Repair Altering Casing	Conversion to Injection
	Other	Dispose Water
	C Other	(Note Report results of multiple completion on Well
13 Describe Proposed or Completed Operations (Clear)	ly state all perturent details and give pertinent dates, including	estimated date of starting any proposed work. If well is directionally
13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*		
Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval.		
The well at present produces 0-2 Bbls of water per day from the Pecos Slope; Abo. The water will be stored in a 210 Fbgls tank and		
will be transported by Stone Water Service to the Pathfinder AFT STATE #13. Located at 21-10S-37E. Order SWD-415. If the		
System is down it will be trucked by th	e lowest bid company.	,
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		ACCEPTED FOR RECOR.
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Conditions of approval, if any

Title 18 U S C Section 1001, makes 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.

Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA

BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 575-627-0272

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 wire screen 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 for wells in Chaves or Roosevelt County if you have not already done so.