

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

## 2. Name of Operator

Yates Petroleum Corporation 025575

## 3a. Address

105 South Fourth Street, Artesia, NM 88210

## 3b. Phone No. (include area code)

(505) 748-1471

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

510' FSL and 330' FEL  
Section 5, T26S-R30E

## 5. Lease Serial No.

NM-102034

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA/Agreement, Name and/o

## 8. Well Name and No.

Banjo BNO Federal #1H

## 9. API Well No.

30-015-36923

## 10. Field and Pool, or Exploratory Area

Wildcat Bone Spring

## 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Use
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Plan.

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 the construction of a 320' x 320' x 11' freshwater reservoir to be used for fracing operations for the Banjo BNO Federal #1H. The frac pond will be located 1500' west of the center hole location of this well. Between the south edge of the frac pond and the lease road will be an 79.40' buffer that will act as the access to the frac reservoir for unloading water. The frac pit will have a 12' wide road with in the 79.40' with ramps and a turn around for the trucks after unloading.

Please note attached survey plat showing the location of the proposed freshwater pit.

Accepted for record  
NMOCD *DJD*  
4-18-11

RECEIVED

APR 11 2011

NMOCD ARTESIA

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

Name (Printed/Typed)

Cy Cowan

Title

Land Regulatory Agent

Signature

Date

December 10, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Don Peterson

Title

Date

APR - 5 2011

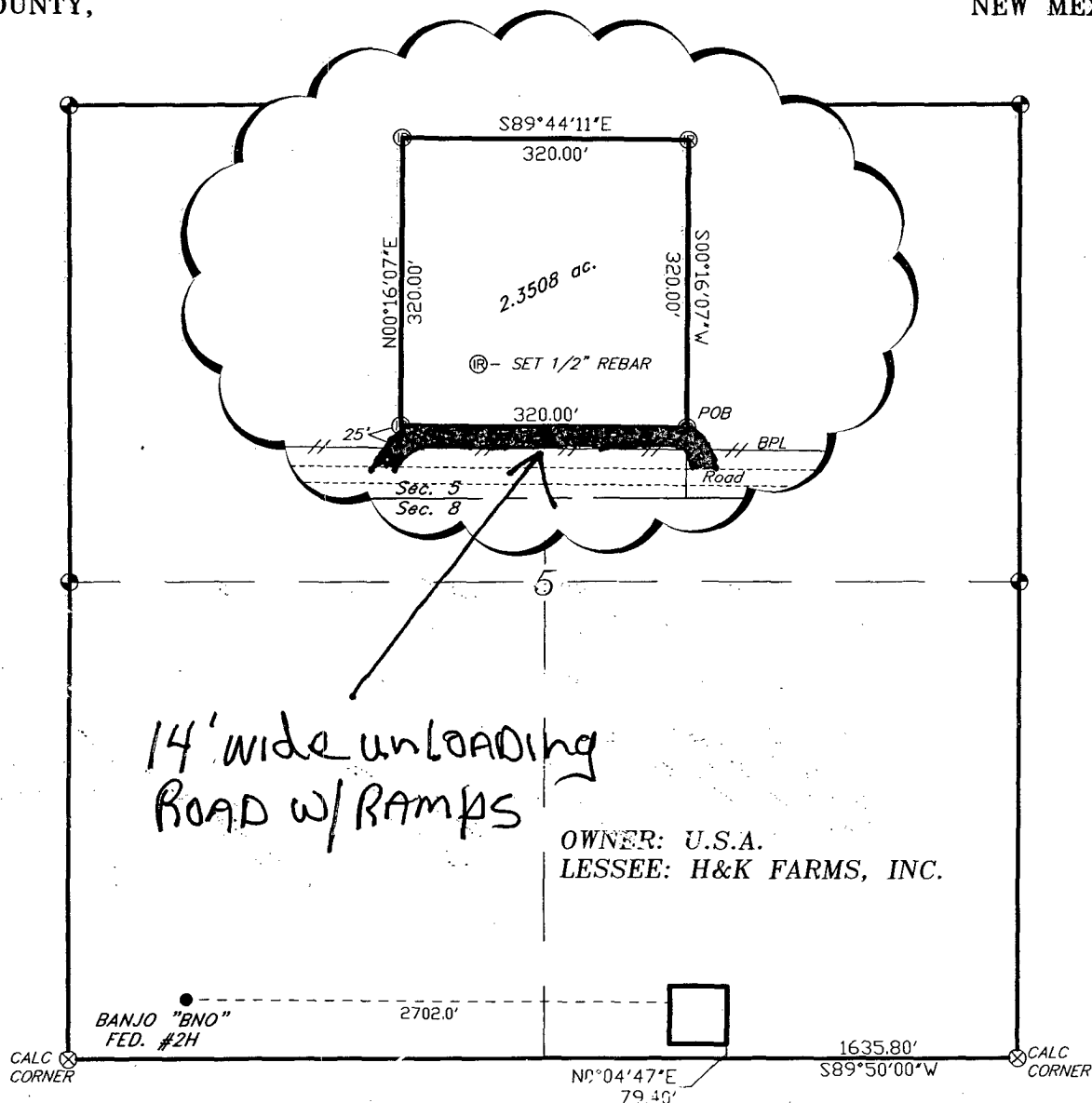
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

BLM Carlsbad Field Office

Title 18 U.S.C. Section 1001, 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.

SECTION 5, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



14' wide unloading  
Road w/ Ramps

OWNER: U.S.A.  
LESSEE: H&K FARMS, INC.

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 5, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES S.89°50'00\"W., 1635.80 FEET AND N.00°04'47\"E., 79.40 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 5; THENCE N.89°44'11\"W., 320.00 FEET; THENCE N.00°16'07\"E., 320.00 FEET; THENCE S.89°44'11\"E., 320.00 FEET; THENCE S.00°16'06\"W., 320.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 2.3508 ACRES, MORE OR LESS.

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



GARY L. JONES

No. 7977  
No. 5074

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23776

Drawn By: K. GOAD

Date: 11-22-2010

Disk: KJG - 23776TRACT.DWG

1000 0 1000 2000 FEET

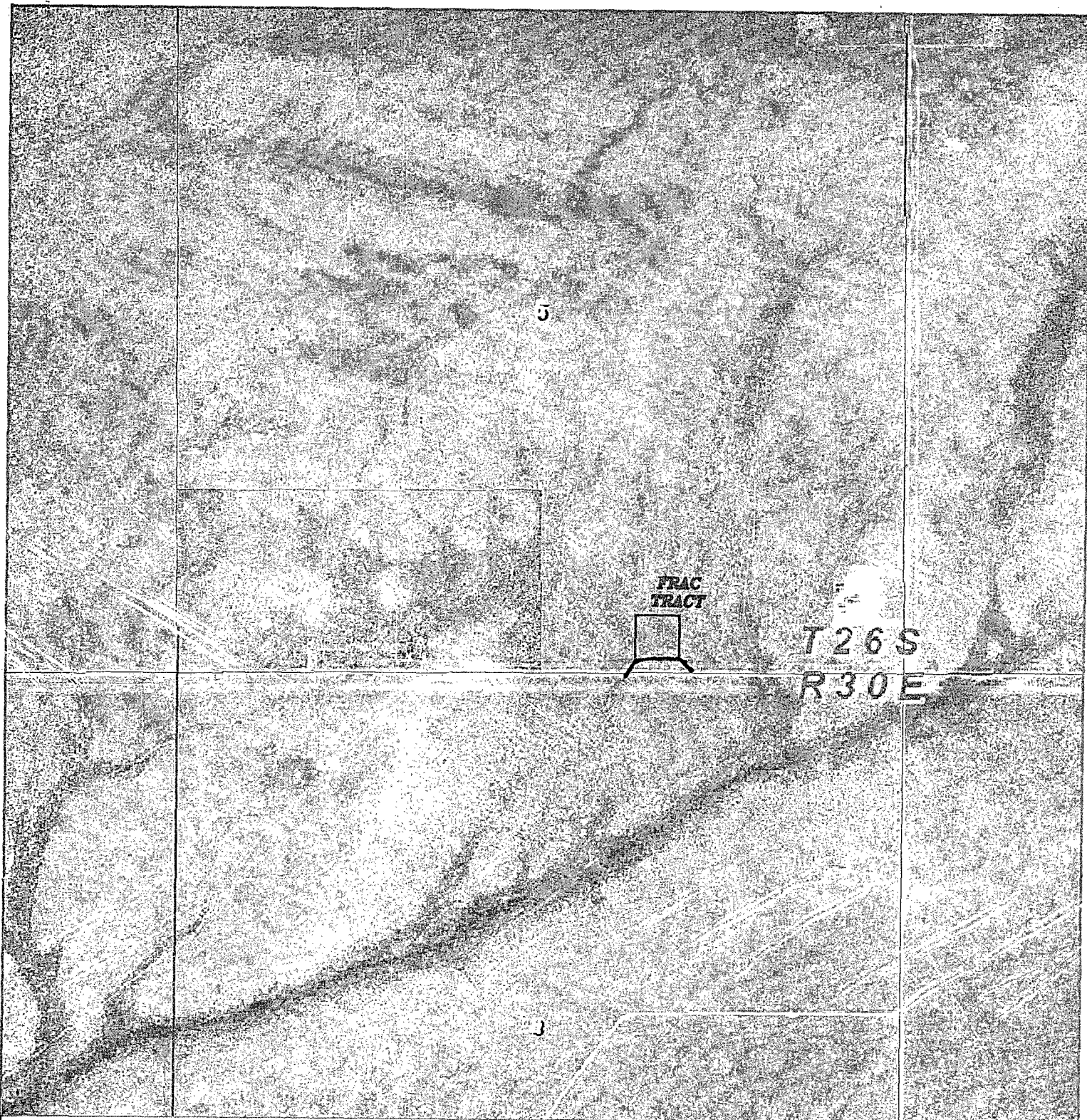
**YATES PETROLEUM CORP.**

REF: BANJO "BNO" FEDERAL #2H FRAC TANK

A TRACT OF LAND LOCATED IN  
SECTION 5, TOWNSHIP 26 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11-19-2010

Sheet 1 of 1 Sheets



BANJO "BNO" FEDERAL #1H FRAC TANK  
Section 5, Township 26 South, Range 30 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  
basinsurveys.com

W.O. Number: 23776

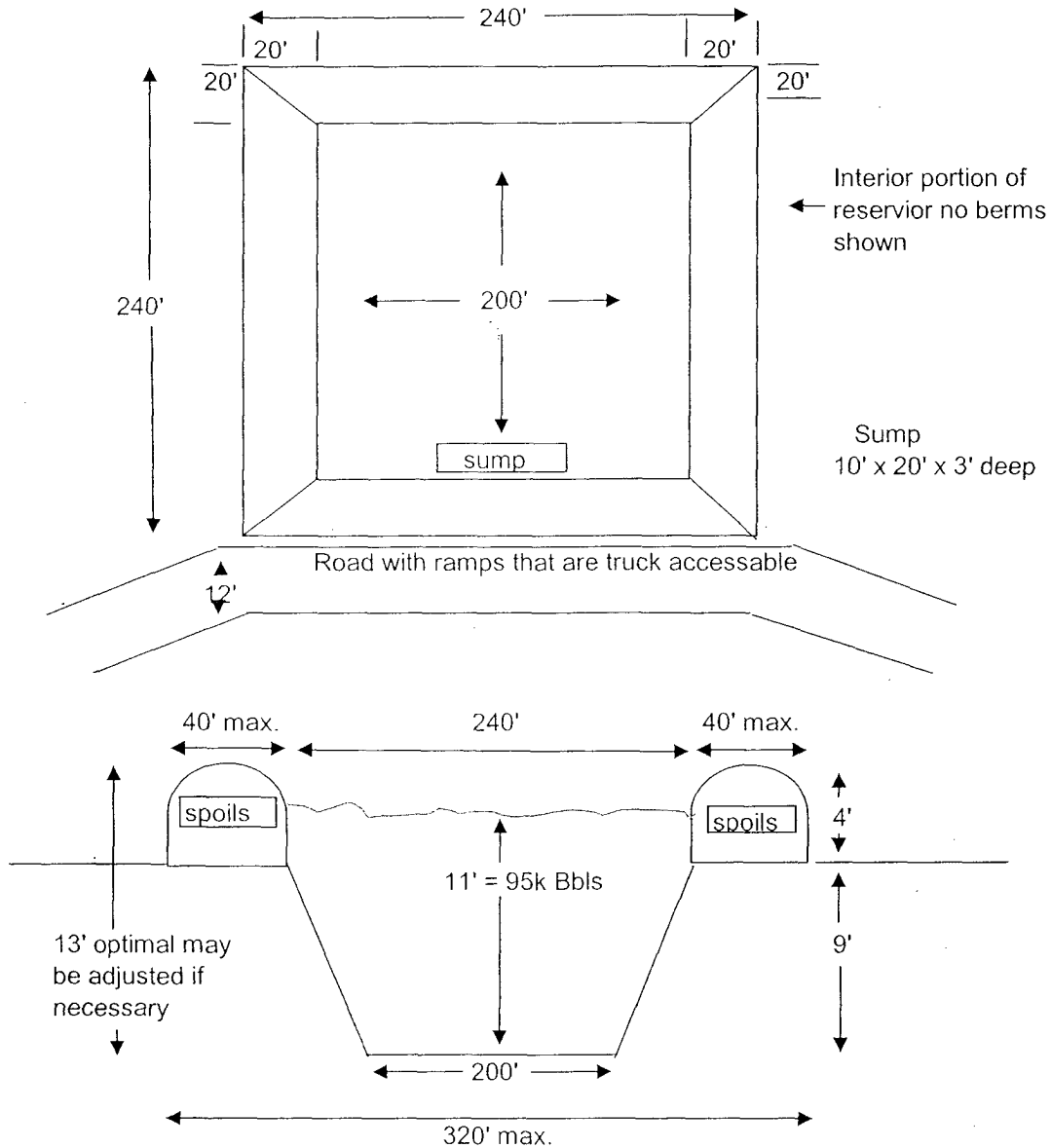
Scale: 1" = 1000'

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



YATES  
PETROLEUM  
CORP.

Yates Petroleum Corp.  
Fresh Water Reservoir  
9/16/2010



Spoil piles= 3 sides will normally be narrow and the fourth side will include the road and access to the sump.

Bottom Slope= make sure the bottom always slopes to the sump.

Top Edge= Make sure top levels are shot in to ensure adequate Free Board ( 2' )

Road & Ramps = Must be capable of handling 2 loaded water trucks.

**BLM LEASE NUMBER: NM-102034**  
**COMPANY NAME: Yates Petroleum Corporation**  
**ASSOCIATED WELL NO. & NAME: Banjo BNO Federal #1H**

**FRAC POND CONDITIONS OF APPROVAL**

A copy of the APD, Right-of-Way Request, or Sundry Notice and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

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

The topsoil to be stripped is approximately 6 inches in depth and stockpiled.

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 permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:
  - Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.
  - The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer.
  - If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly.
  - Confine all construction and maintenance activity to the authorized area.
  - Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer.
  - Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for constructing the frac pond.
  - The frac pond will be lined.

- The operator shall stockpile topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion
- Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.
- The frac pond shall be fenced on all sides.
- Frac pond boundary fences will be marked by using highly visible and/or reflective markers
- Inner walls of the frac pond will have a minimum of a 3:1 slope ratio in order to minimize the entrapment of fauna
- Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.
- The plastic lining will be removed prior to final abandonment
- Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:

Any roads approved for use with the pond

Surface water lines

Tanks, pumps, fencing etc.

- Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

#### Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

5. 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.

6. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf 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.

7. 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 the roads, pads, associated 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.

8. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

9. Seeding is required: Use the following seed mix.

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

10. **The topsoil to be stripped is approximately 6 inches in depth.**

11. Special Stipulations:

12. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, 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.

EA File #11-290