Form 3160-5 (August 2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

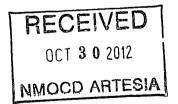
SUNDRY NOTICE	ES AND REPORTS ON WELLS
Do not use this form	for proposals to drill or to re-enter an
abandoned well. Use	Form 3160-3 (APD) for such proposals.

5 Lease Serial No	
NM-57274	
6 If Indian, Allottee or Tribe Name	<u> </u>

SUBMIT IN TRIPLICATE - Other instructions on page 2.					7. If Unit or CA/Agreement, Name and/or No	
1. Type of Well  X Oil Well Gas Well Other PA					8 Well Name and No.	
2 Name of Operator				Haracz AMO Federal #2H		
Yates Petroleum Corporation					9 API Well No.	
3a. Address 3b. Phone No. (include area code)			ode)	30-015-36355		
105 S. 4th Str., Artesia, NM 88210 575-748-1471			10 Field and Pool or Exploratory Area			
4. Location of Well (Footage, Sec., T, R., M, OR Survey Description)					Poker Lane; Delaware, East	
500' FSL & 1650' FWL Sec. 24-T24S-R31E Unit N, Surface					11. County or Parish, State	
357' FNL & 1974' FWL Sec.	357' FNL & 1974' FWL Sec. 24-T24S-R31E Unit C, Bottom				Eddy County, New Mexico	
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
	Acidıze	Deepen	Production	(Start/Resume)	Water Shut-Off	
X Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete		Other	
Subsequent Report	Change Plans	Plug and Abandon	Temporarily	Abandon		
Final Abandonment Notice	Convert to Injection	Plug Back	<b>X</b> Water Dispo	osal		

13 Describe Proposed of Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof lift 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 is submitting an application for produced water pursuant to Order #7 and requests your approval. The well at present produces approximately 0-1800 bbl of water per day. The water will be stored in two 500 bbl tanks and pipelined to the David Ross SWD #1 located at Sec. 35-T22S-R31E, order #SWD-419.



## SEE ATTACHED FOR CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct			
Name (Printed/Typed)			
Miriam Morales	Title	Production Analyst	
Signature of Cariner & Males	Date	10/9/12	
THIS SPACE FOR FEDE	ERAL O	R STATE OFFICE USE	
Approved by James J. Com		Title SEPS	Date 10-28-12
Conditions of approval, if any, are attached. Approval of this notice does not warral certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.		Office (16)	
Title 18 US C. Section 1001 and Title 43 U S.C. Section 1212, make it a crime for an	ny 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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. 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.

9/22/09