

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMNM0437523

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.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: MICHELLE TAYLOR

9. API Well No.

Multiple--See Attached

3a. Address

105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 505.748.4205

10. Field and Pool, or Exploratory
SAND TANK - BONE SPRING
WILDCAT

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

Multiple--See Attached

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Production Facility Changes |
| | <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 shall 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 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.)

Yates Petroleum is submitting the attached site facility diagram to include the use of a vapor recovery system.

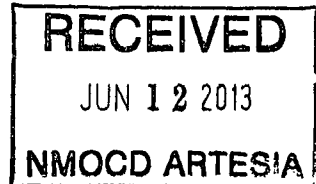
We respectfully request permission, via this sundry, to include this in the previously approved surface commingle application.

Wells associated to battery include:
Grateful BOD Federal Com #1H and #2H.

Accepted for record
NMOCD
CRD 6/20/2013

**SUBJECT TO LIKE
APPROVAL BY STATE**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



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

Electronic Submission #206250 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 05/08/2013 (13KMS5982SE)

Name (Printed/Typed) MICHELLE TAYLOR

Title

Signature

(Electronic Submission)

Date 05/06/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JERRY BLAKLEY

Title LEAD PET

Date 06/08/2013

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

APPROVED

JUN - 8 2013

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.

ALL OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Additional data for EC transaction #206250 that would not fit on the form

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

NMNM128652
NMNM129302

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------|-------------|--------------------------|--------------------|--------------------------------------|
| NMNM128652 | NMNM0437523 | GRATEFUL BOD FEDERAL COM | 83-015-38990-00-S1 | Sec 13 T18S R29E NENE 786FNL 545FEL |
| NMNM129302 | NMNM0437523 | GRATEFUL BOD FEDERAL COM | 28-015-38518-00-S1 | Sec 13 T18S R29E SENE 1650FNL 330FEL |

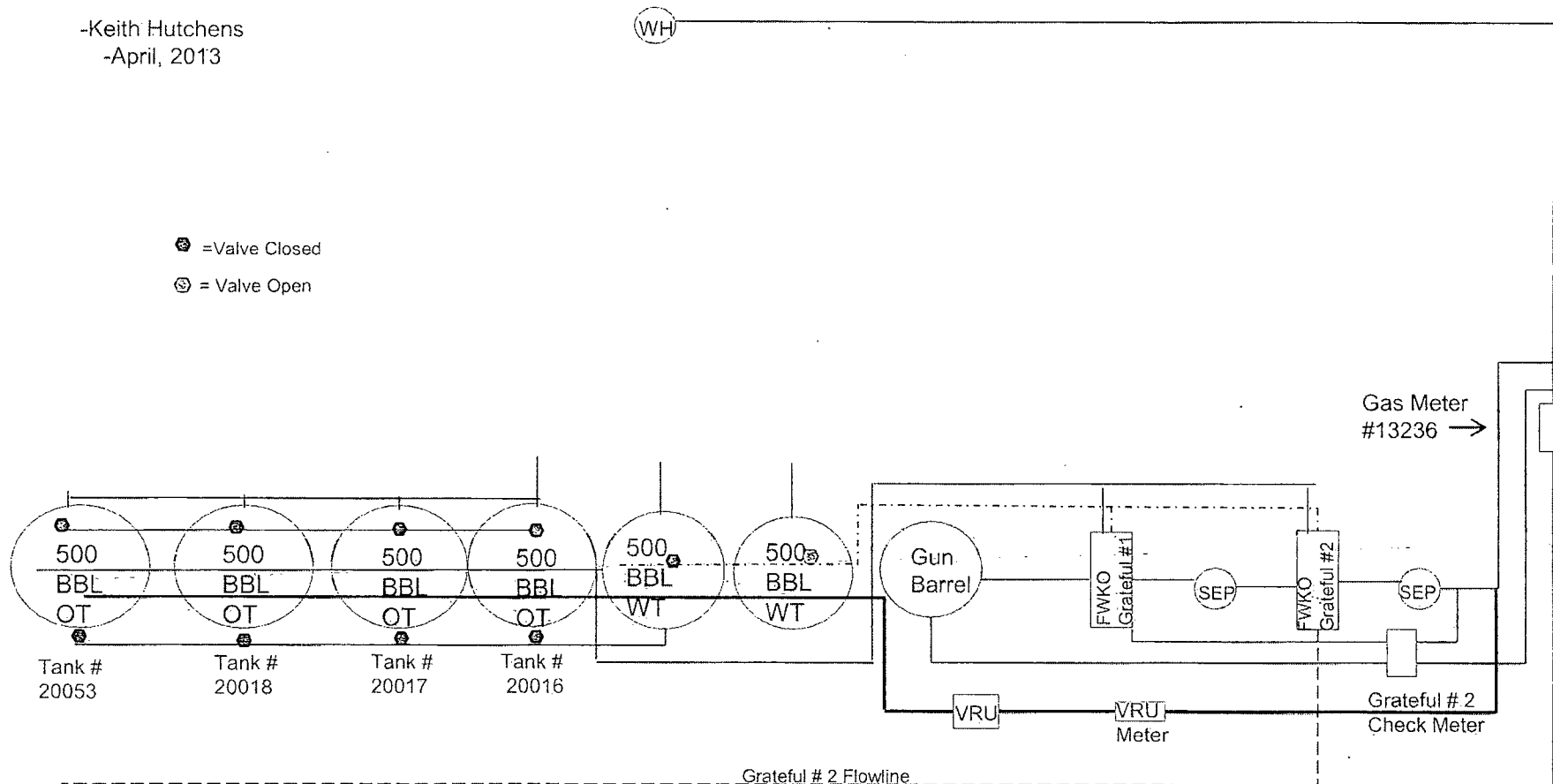


105 South 4th Street * Artesia, NM 88210
(575)-748-1471

-Keith Hutchens
-April, 2013

GRATEFUL BOD # 1H

786' FNL & 545' FEL * Sec13 - T18S R29E * Unit A
Eddy County, NM
API - 3001538990



Accepted for Record Purposes.
Approval Subject to Onsite Inspections.

4/8/2013

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

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Yates Petroleum Corporation
Grateful BOD Federal Com 1H & 2H
February 2, 2013**

**Condition of Approval
Commingle on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. 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.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. 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.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

The public's interest in all these leases/CAs has been found to be identical at 12.5%-32%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.