

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM107383 |
| 2. Name of Operator YATES PETROLEUM CORPORATION Contact: MIRIAM MORALES E-Mail: mmorales@yatespetroleum.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-4200 Fx: 575-748-4664 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T16S R29E NENE 1090FNL 200FEL 32.962329 N Lat, 104.020267 W Lon | | 8. Well Name and No. MARCEL BMM FEDERAL 1H |
| | | 9. API Well No. 30-015-36845-00-S1 |
| | | 10. Field and Pool, or Exploratory WILDCAT |
| | | 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 | Venting and/or Flaring |
| | <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 respectfully requests permission to flare.

Under the NTL4A regulations, Yates plans to flare on 12/18/13 for 24hrs due to DCP maintenance.

Accepted for record
LRO 12/10/13/26/14

Verbal notification to Jerry Blakley on 12/17/13.

**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 #229781 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER MASON on 02/04/2014 (14KMS7612SE) | |
| Name (Printed/Typed) MIRIAM MORALES | Title PRODUCTION ANALYST |
| Signature (Electronic Submission) | Date 12/17/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | |
|--|--------|-------------------------|------|
| Approved By | Title | APPROVED MAR 18 2014 | 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. | | | |

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

3/18/2014 Approved subject to Conditions of Approval. JDB

Condition of Approval to Flare Gas

From date of receipt

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JDB