

OCD-ARTESIA

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals5. Lease Designation and Serial No
NM-144596. If Indian, Allottee or Tribe Name **JAN 29 2008**
OCD-ARTESIA

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No

105 South 4th Street, Artesia, NM 88210 (505) 748-1471

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

1077' FSL & 696' FWL (SWSW) Unit M Sec-18-T21S-R22E

8. Well Name and No

Mescal SE Federal #2

9. API Well No

30-015-35509

10. Field and Pool, or Exploratory Area

Little Box Canyon/Morrow

11. County or Parish, State

Eddy County, New Mexico

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

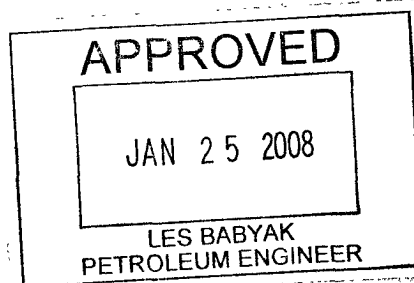
TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☐ Other _____
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☒ Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

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.)¹

Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 0-100 Bbls of water per day from the Little Box Canyon/Morrow. The water will be stored in 210 Fbgl's tank and will be transported by McDaniels Trucking to the EIB Water System Marathon Box (State CO #1 location 36-19S-24E NE, SW order # SWD-285, or State D #1 location 16-20S-24E SE, SW order # SWD-395, or Archimedes SWD #1 location 18-21S-24E NW, SE order # SWD-852, or Mimosa #1 SWD location 4-20S-24E NE, SE order # SWD-408, or Mimosa AHS Fed SWD #3Y location 4-20S-24E SE, SE order # SWD-645, or Mimosa #4 SWD location 4-20S-24E SE, SW, order # SWD-474. If the System is down it will be trucked by the lowest bid company.

Accepted for record
NMOCB RI

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

Signed Mate Reyes Title Production Secretary Date January 3, 2008

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
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.

*See Instruction on Reverse Side

SEE ATTACHED FOR
CONDITIONS OF APPROVAL