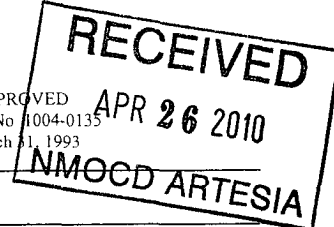


OCD-ARTESIA
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 proposals

SUBMIT IN TRIPLICATE

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)
130' FSL & 480' FWL (SWSW) Unit M Sec-4-T24S-R29E Surface
660' FSL & 330' FEL (SESE) Unit P Sec-4-T24S-R29E BHL

5 Lease Designation and Serial No
NM-99034

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No
Juniper BIP Federal #9H

9 API Well No
30-015-37407

10 Field and Pool, or Exploratory Area
Cedar Canyon/Bone Spring

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)*

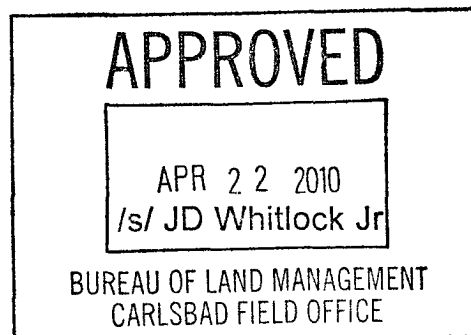
Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 300 Bbls of water per day from the Cedar Canyon/Bone Spring. The water will be stored in 2-500 Fbgl tank and will be pipeline to the Ohkay SWD #3 Order SWD-1045 located at 6-25S-30E or to the Jester SWD #4 Order SWD-1044-A located at 12-24S-29E. ~~If the System is down it will be trucked by the lowest bid company.~~

SEE COAs #10

**SUBJECT TO LIKE
APPROVAL BY STATE**

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOC D
RF
4/29/10



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

Signed

Marye Regan

Title Production Secretary

Date April 8, 2010

(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

**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.
6. 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. Subject to like approval by NMOCD.
10. If approved facility is down you must obtain approval prior to taking water to any other facility.

3/25/2010