OCD-ARTESIA

Date November 30, 2010

Date

Form 3160-5 (June 1990)	UNITED STA DEPARTMENT OF TH BUREAU OF LAND MA	IE INTERIOR	FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993
	SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial No. NM-1372
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			6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE			7. If Unit or CA, Agreement Designation NMNM120829
1. Type of Well Oil Gas Well Well Other			8. Well Name and No. ' Lehman Federal Com #11
2. Name of Operator			9. API Well No.
Yates Petroleum Corporation			30-015-26711
3.Address and Telephone No.			10. Field and Pool, or Exploratory Area
105 South 4 th Street, Artesia, NM 88210 (505) 748-1471			Seven Rivers / Wolfcamp
4. Location of Well (Footage, Sec., T., R., M., or Survey Description			11. County or Parish, State
1980' FSL & 660' FWL (NWSW) Unit L Sec-18-T19S-R25E			Eddy County, New Mexico
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
	F SUBMISSION	TYPE OF ACTION	
Notice		pandonment	Change of Plans
Subsec	Denost	completion	New Construction
		ugging Back	Non-Routine Fracturing
☐ Final Abandonment Notice ☐ Casing Repair ☐ Altering Casing		Water Shut-Off	
	,		☐ Conversion to Injection ☐ Dispose Water
Other		(Note: Report results of multiple completion on Well	
	l opleted Operations (Clearly state all pertinent det ons and measured and true vertical depths for all		completion or Recompletion Report and Log Form) g estimated date of starting any proposed work. If well is directionally ork.)*
The well at present p tank and will be truck	roduces 0-5 Bbls of water per day ked by Crain Hot Oil or Riverside	from the Seven Rivers /Wo Transportation to the Dona	arsuant to Order #7 and requests your approval. colfcamp. The water will be stored in 1- 210 Fbgls which the stored in 1- 210 Fbgls where Federal SWD #1 Order SWD-377 located at E. If the System is down it will be trucked by the
Accepte	CHED FOR NS OF APPROVAL d for record Palacis 10 1000	RECEIVED DEC 0 9 2010 NIMOCD ARTESIA	APPROVED DEC. 3 2010 Isl JD Whitlock Jr BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

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.

Title

(This space for Federal or State office use) Approved by Conditions of approval, if any:

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. Disposal at any other site will require prior approval.
- 10. Subject to like approval by NMOCD.

9/30/2010

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 1301 W. GRAND AVENUE ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL

Lehman Federal Com #11 30-015-26711

1. Trucking companies being used by Yates Petroleum Corporation to haul produced water to disposal facilities- private or commercial- shall have an approved NMOCD Form C-133 (authorization to move produced water). A copy of this form shall be available in each truck being used to transport produced water.

DG

12/15/2010