

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

OCD Artesia

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.
NM-1372
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other PA

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

8. Well Name and No.

2. Name of Operator
Yates Petroleum Corporation

Warren ANW Federal #8H

3a. Address
105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)
575-748-1471

9. API Well No.
30-015-40536

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)
400' FSL & 230' FWL Sec. 9-T19S-R25E Unit M, SWSW Surface
400' FSL & 332' FEL Sec. 9-T19S-R25E Unit P, SESE Bottom

10. Field and Pool or Exploratory Area
Penasco Draw; San Andres-Yeso
11. County or Parish, State
Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 Corporation is submitting an application for produced water pursuant to Order #7 and requests your approval. The well at present produces approximately 1000- 1500 bbls per day. The water will be pipelined to the Roy SWD #3 located at Sec. 7-T19S-R25E, order #SWD-437.

Accepted for record
NMOCD RI
2/21/13

RECEIVED
FEB 20 2013
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) **Miriam Morales** Title **Production Analyst**
 Signature *Miriam Morales* Date **2/21/13**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title **APPROVED** Date **FEB 17 2013**
 Office **BUREAU OF LAND MANAGEMENT**

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

WATER DISPOSAL ONSHORE ORDER #7

Required information for the disposal of produced water:

1. Name(s) of formation (s) producing water on the lease. Bone Spring
PENASCO DRAW, SAN ANDRES-YESO
2. Amount of water produced from each formation in barrels per day. 1000 bwpd
1000-1500bbls
3. How water is stored on the lease. **tanks**
4. How water is moved to disposal facility. **Pipeline**
5. Disposal Facility:
 - a. Operator's of disposal facility Yates Petroleum
 - b. Lease name or well name and number 30-015-26562 ROY SWD #003
 - c. Location by $\frac{1}{4}$ $\frac{1}{4}$ Section, Township, and Range of the disposal system
Sec.7-T19S-R25E Lot: P 810 FSL 660 FEL
 - d. The appropriate NMOCD permit number SWD-437

**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. This approval is for produced water disposal only and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

2/16/2013