

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM63027
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: GARRETT SANDERS Mail: gsanders@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 SOUTH 4TH ST ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4203	8. Well Name and No. INEXCO AHY FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T19S R33E SENE 1980FNL 660FEL		9. API Well No. 30-025-25470
		10. Field and Pool, or Exploratory PENN
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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 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.)

Obtained verbal approval to flare from Ed Fernandez on 04-02-15.

Yates Petroleum respectfully requests permission possible and sporadic flare due to DCP line maintenance beginning April 5th, 2015 that will cause a reduction in line capacity until April 15th, 2015.

This unavoidable flaring could result longer than 24 hour period and possibly more than the 144 hours cumulative authorized under NTL4A III.A.

Flare volumes will be measured and reported on OGOR.

The possibility to flare will not be consistent, therefore, the estimated/possible volume per day

WLD 9/30/15
Accepted for record
NMOC

ACCEPTED FOR
RECORD

JUL 27 2015

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

Electronic Submission #297183 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 05/06/2015 ()

Name (Printed/Typed) GARRETT SANDERS

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 04/02/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>D. G. LASS</u>	Title <u>PE</u>	Date <u>7-27-15</u>
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 <u>CFG</u>

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Yates Petroleum Corp.
Inexco AHY Fed 1
NMNM63027

July 27, 2015

Condition of Approval to Flare Gas

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 and volumes need to be reported on OGOR "B" reports as disposition code "08".**
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.
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.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.

Additional data for EC transaction #297183 that would not fit on the form

32. Additional remarks, continued

is 6 +/- MCF.