OCD-ARTESIA

DIPPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	Form 3160-5	UNITED STATES		FORM APPROVED		
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 7 If Unit or CA, Agreement Designation 8 Well Mane and No. Anemone ANE Federal #3 Nume of Operator 9 API Well No. 30-015-28126 3.	(June 1990)		DEPARTMENT OF THE INTERIOR		31,199 ECEIVED	
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Type of Well	Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.				NMOCD ARTES	
Anemone ANE Federal #3 Well Other		SUBMIT IN TRI	7 If Unit or CA, Agreement Designation			
Yates Petroleum Corporation 30-015-28126 10 Field and Pool, or Exploratory Area 105 South 4*9 Street, Artesia, NM 88210 (505) 748-1471 4 Location of Well (Footage, Sec. T. R. M. or Survey Description 11 Country Description 12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 17PE OF SUBMISSION. 12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 17PE OF SUBMISSION. 13 Subsequent Report 14 Indian Basin/Upper Penn 15 Change of Plans 16 None-Continue fracturing 17 Indian Abandonment Notice 18 Subsequent Report 19 Plugging Back 19 Final Abandonment Notice 19 Cassing Repair 10 Other 19 Conversion to Injection 19 Other Description Repended Operations (Clearly state all pertunent details, and give pertunent dates, including estimated date of starting any proposed work If well is directionally drilled, give subsurface locations and measured and rive 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 0-300 Bbls of water per day from the Indian Basin / Upper Penn. The water will be stored in 2-1000 Fbgls tank and will be pipeline to the 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 SE, SW, order # SWD-474. If the System is down it will be trucked by the lowest bid company. SUBJECT TO LIKB APPROVAL BY STATE 10 Souther Proposed or Completed Operation of Approval and Proposed Ap	Oil Gas					
3. Address and Telephone No 1. 105 South 4th Street, Artesia, NM 88210 (505) 748-1471 4. Location of Well (Footage, Sec., T. R. M., or Survey Description 1. 11 Country or Parish, State 1. 12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 1. 17PE OF SUBMISSION. Type OF ACTION Change of Plans Nouse of Intent Abandonment New Construction New Construc		noration				
810' FNL & 1930' FEL (NWNE) Unit B Sec-9-T22S-R24E	3.Address and Telephone No 105 South 4 th Street,	Artesia, NM 88210 (50	10 Field and Pool, or Exploratory Area			
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Final Abandonment Notice Gasing Repair Water Shut-Off Conversion to Injection Dispose Water Non-Kouling estimated on the Swapen results of multiple completion on Well completion of Recompletions (Point and Los From) 13 Describe Proposed or Completed Operations (Clearly state all pertunent details, and give pertunent 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 0-300 Bbls of water per day from the Indian Basin / Upper Penn. The water will be stored in 2-1000 Fbgls tank and will be pipeline to the 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 #1 SWD location 4-20S-24E SE, SW, order # SWD-408, 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. SUBJECT TO LIKE APPROVAL BY STATE ACCEPTED FOR RECORD NOV 2 7 2009	Subseq	uent Penort	= '	=		
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	CONDITIONS OF APPROVAL					

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)

Date November 11, 2009

Date

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. If system is down prior to hauling to an alternate disposal site it must be approved.