OCD-ARTESIA

FORM APPROVED UNITED STATES Form 3160-5 Budget Bureau No. (June 1990) DEPARTMENT OF THE INTERIOR Expires March 3 BUREAU OF LAND MANAGEMENT 5 Lease Designation and Serial No. NM-107360 SUNDRY NOTICES AND REPORTS ON WELLS 6 If Indian, Allottee or Tribe Nam 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 NMOCD ARTESIA If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE **AMENDED** NMNM114185 Type of Well Well Name and No Oil Gas Bamboozled BBX Federal Com #2 Well Well Other 9 API Well No 2 Name of Operator Yates Petroleum Corporation 30-015-32885 3. Address and Telephone No 10. Field and Pool, or Exploratory Area 105 South 4th Street, Artesia, NM 88210 (505) 748-1471 Cemetary/Morrow 4 Location of Well (Footage, Sec, T, R, M, or Survey Description 11 County or Parish, State 1106' FSL & 844' FEL (SESE) Unit P Sec-3-T21S-R24E Eddy County, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Non-Routine Fracturing Plugging Back Water Shut-Off Casing Repair Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water Report results of multiple completion on Westion 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 0-20 Bbls of water per day from the Cemetary/Morrow. The water will be stored in a 210 Fbgls tank and will be transported by Don McDaniel's Trucking to the EIB Water System Marathon Box (State CO #1 location 36-19S-24E NE, SW order # SWD-285, or 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 AHS Fed SWD #3Y location 4-20S-24E SE, SE order # SWD-645, 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 RI-NMOUD 12/10/09 NOV 27 2009 /s/ JD Whitlock Jr BUREAU OF LAND MANAGEMENT SEE ATTACHED FOR CARLSBAD FIELD OFFICE CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct		
Signed	Title Production Secretary	Date January 22, 2007
(This space for Federal or State office use) Approved by	Title	Date
Conditions of approval, if any	THE	Date

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

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.