

**New Mexico Oil Conservation Division, District I**  
**1625 N. French Drive**  
**Hobbs, NM 88240**

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**HOBBS OCD**

FORM APPROVED  
OMB No 1004-0137  
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.*

**AUG 30 2011**

5. Lease Serial No.  
**NM- 105886**  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

**RECEIVED**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other PA		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator <b>Yates Petroleum Corporation</b>		8. Well Name and No. <b>Vespa BME Federal #1H</b>
3a. Address <b>105 S. 4th Str., Artesia, NM 88210</b>	3b. Phone No. (include area code) <b>575-748-1471</b>	9. API Well No. <b>30-005-29095</b>
4. Location of Well (Footage, Sec., T., R., M, OR Survey Description) <b>2500' FSL &amp; 200' FEL, Sec.12-T15S-R31E, Unit I NESE    Surface</b> <b>2280' FSL &amp; 330 FWL, Sec.12-T15S-R31E, Unit L NWSW    Bottom</b>		10. Field and Pool or Exploratory Area <b>Wildcat; Abo-Wolfcamp</b>
		11. County or Parish, State <b>Chavez County, New Mexico</b>

**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 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 must 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 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 400 bbls of water per day. The water will be stored in 2-500 tanks and will be trucked by Ranger Services to the Red Hat SWD #1 with order #SWD-468 located at Sec.2-T16S-R33E.

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Miriam Morales</b>	Title <b>Production Clerk</b>
Signature <i>Miriam Morales</i>	Date <b>6/22/11</b> <i>KZ</i>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <b>/S/ DAVID R. GLASS</b>	PETROLEUM ENGINEER	Date <b>JUL 15 2011</b>
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	

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

(Instructions on page 2)

**ENTERED IN  
AFMSS**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**AUG 31 2011**

**BUREAU OF LAND MANAGEMENT**  
**Roswell Field Office**  
**2909 West Second Street**  
**Roswell, New Mexico 88201**  
**575-627-0272**

**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. Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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 for wells in Chaves or Roosevelt County if you have not already done so.