

**Conditions of Approval to Flare
Yates Petroleum Corp.
Bombay BSB Federal Com 1H
30-025-40718
Lea County, NM
January 24, 2013**

Flare Requirements

Approved with the Following Conditions of Approval

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
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.

EGF 012413