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Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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.

MOOD ARTESIA

Lease Serial No. NM-84890

8. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well Oil Well Gas Well Other SWD

8. Well Name and No.

2. Name of Operator Yates Petroleum Corporation

Flamenco Federal #1

3a. Address 105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code) 575-748-1471

9. API Well No. 30-025-31076

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 1650' FSL & 660' FWL, Section 7, T22S-R32E

10. Field and Pool or Exploratory Area

11. County or Parish, State Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, Alter Casing, Fracture Treat, Reclamation, Well Integrity, Casing Repair, New Construction, Recomplete, Other Remediation, Change Plans, Plug and Abandon, Temporarily Abandon, per Work Plan, Convert to Injection, Plug Back, 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 recomplate 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 recomplate 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.

1/2/14

Yates Petroleum Corporation submitted a work plan on October 18, 2013 for the above location, the scope of work includes excavation of impacted soils to a total depth of four (4) feet from the release area, horizontal delineation samples of the sidewalls and analyzed for TPH/BTEX (chlorides for documentation). Caliche will be brought in to backfill the excavation to a depth of 2' below the surface. Yates will then backfill the excavation to proper grade and contour with native soils. This remediation action will create an Evapotranspiration barrier which will prevent remaining chlorides in place from vertical migration. Based on depth to ground water per the ChevronTexaco Trend Map at 200', full delineation sampling is not warranted based on depth to ground water and the decrease of chlorides in the 10/9/2013 sampling results.

Approved for record MHB/OCD

Yates will reseed the release area, per recommended seed mixture/amounts from the BLM (this reseeding would occur before the monsoonal rain season of 2014).

Yates would like to request an additional extension of the Scope of Work per the Work Plan (expires 12/29/2013), to January 31, 2014, to complete work based on the meeting conducted with YPC and BLM on 11/27/2013.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Robert Asher Title NM Environmental Regulatory Supervisor Signature [Signature] Date December 5, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Title Date 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

* Notify D. Whitlock prior to backfill Subject to like approval from State

MHB/OCD 1/23/2014

JAN 23 2014