

OCD-HOBBS

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No

105 South 4th Street, Artesia, NM 88210 (505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330' FSL & 660' FWL (SWSW) Unit M Sec-1-T25S-R32E Surface
4858' FSL & 717 FWL (NWNW) Unit D Sec-1-T25S-R32E Bottom

5. Lease Designation and Serial No

NM-15317

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Farber BOB Federal #1H

9. API Well No.

30-025-39525

10. Field and Pool, or Exploratory Area

Wildcat/BoneSprings

11. County or Parish, State

Lea County, New Mexico

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

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☐
- Other _____
-
- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☒
- Dispose Water

(Note: Report results of multiple completion on Well completion 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 300 Bbls of water per day from the Wildcat/BoneSprings. The water will be stored in 2-500 Fbgl tanks and will be trucked by Riverside Transportation to the Bilbrey SWD #1, located at 5-22S-32E, order # SWD-894. Or to the Lotus SWD #1, located at 32-22S-32E, order # SWD-1197. If the System is down it will be trucked by the lowest bid company.

RECEIVED

SEP 07 2010

HOBBSOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

SEP 3 2010
/s/ JD Whitlock JrBUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct

Signed

*Martha Reyes*Title Production SecretaryDate July 8, 2010

(This space for Federal or State office use)

Approved by

Conditions of approval, if any.

Title

PETROLEUM ENGINEER

Date

SEP 07 2010

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.

*See Instruction on Reverse Side

7m

**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.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

9/2/2010