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

Form 3160-5

UNITED STATES

FORM APPROVED

(TTMENT OF THE INTERIOR J OF LAND MANAGEMENT	Budget Bureau No. 1004-0135 Expires: March 31, 1993
	OTICES AND REPORTS ON WELLS	5. Lease Designation and Serial No. NM-105886 (SHL), V-8072 (BHL) 6. If Indian, Allottee or Tribe Name
Do not use this form for proposals to drill or Use "APPLICATION FO	DR PERMIT" for such proposals	S. I. Malin, Mickey of Missingle
SUBMIT IN	TRIPLICATE	7. If Unit or CA, Agreement Designation NMNM123503
1. Type of Well Oil Gas Well Well Other		8. Well Name and No. Ninja BMN State Com #1H
2. Name of Operator Yates Petroleum Corporation		9. API Well No. 30-005-29083
3.Address and Telephone No. 105 South 4 th Street, Artesia, NM 88210 (505) 748-1471		10. Field and Pool, or Exploratory Area Medlin/Abo Wolfcamp
4. Location of Well (Footage, Sec., T., R., M., or Survey Description 990' FNL & 200' FEL (NENE) Unit A Sec-11-T15S-R31E Surface 370' FNL & 330' FWL (SESE) Unit D, Sec-11-T15S-R31E Bottom		11. County or Parish, State Chavez County, New Mexico
	DX(s) TO INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent	Abandonment	Change of Plans
Subsequent Report	Recompletion	New Construction
	Plugging Back	Non-Routine Fracturing
Final Abandonment Notice	Casing Repair	☐ Water Shut-Off
	Altering Casing Other	☐ Conversion to Injection ☐ Dispose Water
	Other	(Note: Report results of multiple completion on Well

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 Medlin/Abo Wolfcamp. The water will be stored in 2-500 Fbgls tanks and will be truck by Ranger trucking to the Red Hat State SWD #1located at 2-16S-33E Order # SWD-468 or the Brown SWD #1 Order SWD-Order294 located at 31-8S-33E. If the System is down it will be trucked by the lowest bid company.

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DEC 09 2010 HOBBSOCD

Signed Date November 10, 2010 Title Production Secretary Date November 10, 2010
(This space for Federal or State office use) Approved by dux This Centre of Date Wow. 72, 7010 Conditions of approval. if any:
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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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.