Comparison of the instant of th
Bandoned well. Use Form 3180-3 (APD) for such proposals.     HINTO LUTI     HOBBSUCD      Fill Indian. Allottee or Tribe Name     HOBBSUCD      If Unit or CA/Agreement, Name and/or No.     If Unit or CA/Agreement, Name and No.     If Unit or
HOBBSUCD         Submit in TRIPLICATE - Other instructions on page 2.       7. If Unit or CA/Agreement, Name and/or No.         1. Type of Well       Gas Well       Other PA       B. Well Name and No.         2. Name of Operator       Bargain BQA Federal #1H       9. API Well No.         3a. Address       3b. Phone No. (include area code)       10. Field and Pool or Exploratory Area         3a. Address       3b. Phone No. (include area code)       10. Field and Pool or Exploratory Area         4. Location of Well (Foodage, Sec., T, R.M., OR Survey Description)       Brinninstool;Bone Spring         1980' FSL & 1980' FEL Unit J, NWSE Sec.22-T22S-R33E Surface       11. Cauny or Parish, State         12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Alter Casing       Practure Treat       Reclamation         Alter Casing       Practure Treat       Reclamation         Subsequent Report       Change Plans       Plug and Abandon         Plug and Abandon       Tempornally Abandon       Tempornally Abandon
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 PA         2. Name of Operator       Bargain BQA Federal #1H         Yates Petroleum Corporation       S. API Well No.         3a. Address       3b. Phone No. (Include area code)       30-025-33341         105 S. 4th St., Artesia, NM 88210       575-748-1471       10. Field and Peol or Exploratory Area         1980 FEL & 1980' FEL Unit J, NWSE Sec. 22-T22S-R33E       Sufface       11. County or Parlsh, State         1873' FSL & 7470' FEL Unit J, NWSE Sec. 21-T22S-R33E Bottom       Lea County; New Mexico       12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION       Other       Other         Acidize       Deepen       Production (Star/Resume)       Other         Subsequent Report       Casing Repair       New Construction       Recomplete       Other         -13. Describe Proposed of Completed Operation:       Carrier to Injection       Plug Back       Water Disposal       Other         -14. The operative doperation       Convert to Injection       Plug Back       Water Disposal       Other         -2. Subsequent Report       Converter to Injection       Plug Back       Water Disposal <t< td=""></t<>
x       0it Well       Gas Well       Other PA       8. Well Name and No.         2. Name of Operator       Bargain BQA Federal #1H       9. API Well No.         3a. Address       3b. Phone No. (include area code)       30-025-33341         105 S. 4th St., Artesia, NM 88210       575-748-1471       10. Field and Pool or Exploratory Area         4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)       Brinninstool;Bone Spring         1980' FSL & 1980' FEL Unit J, NWSE Sec.22-T22S-R33E Surface       11. County or Parish, State         1873' FSL & 7470' FEL Unit J, NWSE Sec.21-T22S-R33E Bottom       Lea County; New Mexico         12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Image Paris       Practure Treat       Reclamation         Subsequent Report       Casing Repair       New Construction       Recomplete       Other         Subsequent Report       Change Plans       Plag and Abandon       Temporarily Abandon       Temporarily Abandon         Temporarily abandonment Notice       Convert to Injection       Plag Back       Water Disposil       Other       If the parison repute think and approximate duration thereof. If the parison results in an antiple completion of an approximate duration thereof. If the parison results in an antiple completion on file witht BLMBUA. Required subsequent reports must be filed d
Yates Petroleum Corporation       9. API Well No.         3a. Address       3b. Phone No. (include area code)       30-025-33341         105 S. 4th St., Artesia, NM 88210       575-748-1471       10. Field and Pool or Exploratory Area         4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)       Brinninstool;Bone Spring         1980' FSL & 1980' FEL Unit J, NWSE Sec.22-T22S-R33E Surface       11. County or Parish, State         1873' FSL & 7470' FEL Unit J, NWSE Sec.21-T22S-R33E Bottom       Lea County; New Mexico         12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Image: Subsequent Report       Arter Casing         Image: Subsequent Report       Casing Repair         Image: Subsequent Report       Clange Plans         Image: Plans       Plug and Abandon         Image: Proposed of 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 ecomplete horizonally, or ecomplete horizonaly, and measured and tr
3a. Address       3b. Phone No. (include area code)       30-025-33341         105 S. 4th St., Artesia, NM 88210       575-748-1471       10. Field and Pool or Exploratory Area         4. Location of Well (Footage, Sec., T., R.M., OR Survey Description)       Brinninstool; Bone Spring         1980' FSL & 1980' FEL Unit J, NWSE Sec.22-T22S-R33E Surface       11. County or Parish, State         1873' FSL & 7470' FEL Unit J, NWSE Sec.21-T22S-R33E Bottom       Lea County; New Mexico         12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Image: Subsequent Report       Acidize       Deepen         Image: Subsequent Report       Casing Repair       New Construction         Image: Subsequent Report       Charge Plans       Plug Back       Water Disposal         13. Describe Proposed of Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereot. If the proposel is to deepen directionally or percompletine of the involved operations. If the operation results in a multiple completion or recomplete 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 BLMBIA. Required subsequent reports must be file only after all requirements, including relamation, have been completed and the operator has determined that the site is ready for final inspection.
105. 4th St., Artesia, NM 88210       575-748-1471       10. Field and Pool or Exploratory Area         10. 5. 4th St., Artesia, NM 88210       975-748-1471       10. Field and Pool or Exploratory Area         980' FSL & 1980' FEL Unit J, NWSE Sec.22-T22S-R33E Surface       Brinninstool;Bone Spring         11. County or Parish, State       Lea County; New Mexico         12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Acidize       Deepen         Production (Start/Resume)       Water Shut-Off         Motice of Intent       Acidize         Subsequent Report       Casing Repair         Final Abandonment Notice       Convert to Injection         Plug Back       Water Disposal
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TYPE OF SUBMISSION       TYPE OF ACTION         Acidize       Deepen       Production (Start/Resume)       Water Shut-Off         Notice of Intent       Alter Casing       Fracture Treat       Reclamation       Well Integrity         Subsequent Report       Casing Repair       New Construction       Recomplete       Other       Other         Final Abandonment Notice       Convert to Injection       Plug and Abandon       Temporarily Abandon       Image: Subsequent Report         13. Describe Proposed of 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 recomplete 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 BLMBIA. Required subsequent reports must be filed within 30 days following completion. The involved operations. If the operation results in a multiple completion or recompletion 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.
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Yates Petroleum Corporation is submitting application for produced water pursuant to Order #7 and requests your approval. The well at present produces 0 - 1000 bbls of water per day from the Brinninstool; Bone Spring. The water will be stored in 2 - 500 tanks and will be trucked by E.R. Well Service or by Riverside Transportation to the Lotus SWD #1 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1197 and Lotus SWD #12 located at Sec.32-22S-32E, order # SWD-1198.
SEE ATTACHED FOR APPROVED
CONDITIONS OF APPROVAL APR 1 4 2011 /s/ JD Whitlock Jr
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) BUREAU OF LAND MANAGEMENT
Miriam Morales Title Production Clerk CARL SRAD FIELD OFFICE
Signature A Jucian K Cozallos Date 4/7/1
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 certily that the applicant holds legal or equitable title to the provide the subject lease which would entitle the applicant to conduct operations the subject lease of the united states. 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)

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## 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.
- 7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. 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 if you have not already done so.
- 9. Disposal at any other site will require prior approval.
- 10. Subject to like approval by NMOCD.

2/09/2011