

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

650 Artesia

FORM APPROVED  
OMB NO. 1010-0135  
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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM85310
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: MIRIAM MORALES E-Mail: mmorales@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No. NMNM11025X
3a. Address 105 S FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4200	8. Well Name and No. NDDUP UNIT 37
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T19S R25E SWSW 780FSL 730FWL		9. API Well No. 30-015-26570
		10. Field and Pool, or Exploratory N SEVEN RIVERS; GLOR-YESO
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	Off-Lease Measurement
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back

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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum respectfully requests approval to off lease measure production upon completion of the NDDUP Unit #37 (Barbara 17 #10, possible future name).

The production will be measured and sold at the Lodewick tank battery facilities located at Sec. 19-T19S-R25E. Please see plat and site security diagram.

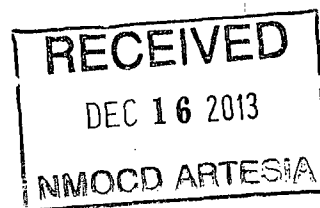
All owners are being notified, see attached documentation.

Oil Measurement

Tanks will be isolated and no surface commingling will take place.

Gas Measurement

Accepted for record  
NMOCD



14. I hereby certify that the foregoing is true and correct. Electronic Submission #214854 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 07/26/2013 ( )	
Name (Printed/Typed) MIRIAM MORALES	Title PRODUCTION ANALYST
Signature (Electronic Submission)	Date 07/25/2013
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By <i>Stephen J. [Signature]</i>	
Title	
Office	
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.	
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.	

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

## **Additional data for EC transaction #214854 that would not fit on the form**

### **32. Additional remarks, continued**

The well will have its own meter and no surface commingling will take place.

All equipment is located on Fee land and waiver to access property is attached.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

See attached economic impact report.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Submit to Appropriate  
District Office  
Data Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Department of Minerals and Natural Resources

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Box 100, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Azusa, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>CONOCO, INC.</b>			Lease <b>Barbra Federal</b>		Well No. <b>11</b>
Unit/Lessor <b>M</b>	Section <b>17</b>	Township <b>19 South</b>	Range <b>25 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>780</b> feet from the <b>South</b> line and <b>730</b> feet from the <b>West</b> line					
Ground level Elev. <b>3578.0</b>		Producing Formation		Dedicated Acreage: <b>Acres</b>	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Position

Company

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual measurements made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date

Signature

Professional Surveyor

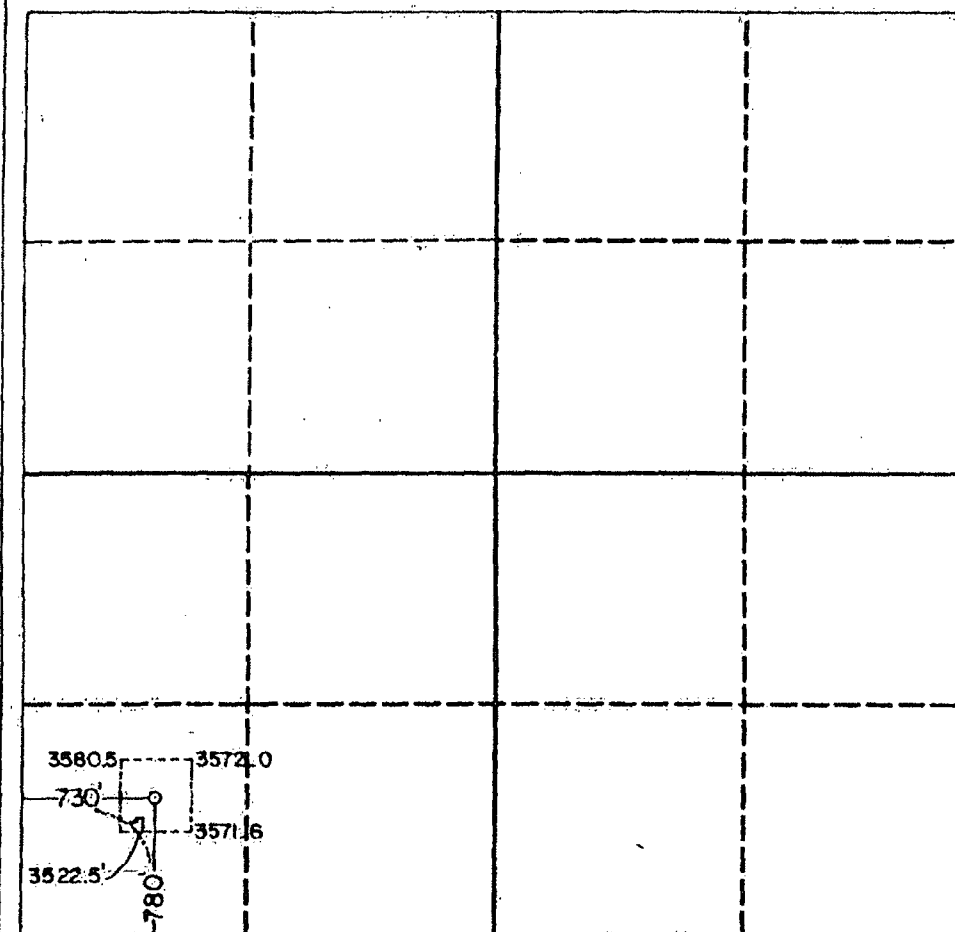
Certificate No.

**JOHN W. WEST**

**876**

**RONALD J. EIDSON**

**3239**



## EUR FOR YPC OPERATED YESO RECOMPLETIONS OF DAGGER DRAW WELLS

The average AFE for these wells is \$377K with an estimated rate of return of 5.5% or a value of \$23,347 using the power tools generated type curve, so the cost of building a battery would have a negative value of <\$126,653>.

The type curve was generated with power tools using the wells listed below.

	OIL EUR	GAS EUR	GOR
AMOLE AMM STATE COM 2	4,783	6,838	1.43
PATRIOT AIZ 6	13,784	60,023	4.35
CUTTER APC 1	15,290	54,772	3.58
AMOLE AMM STATE COM 4	13,115	17,883	1.36
TACKITT AOT 1	6,445	12,780	1.98
ROSS EG FEDERAL 8	4,236	6,654	1.57
BOYD X STATE 12	5,303	6,529	1.23
TACKITT AOT 2	7,471	12,558	1.68
RODKE AOY 1	6,695	15,282	2.28
<b>AVERAGE</b>	<b>8,569</b>	<b>21,480</b>	<b>2.16</b>

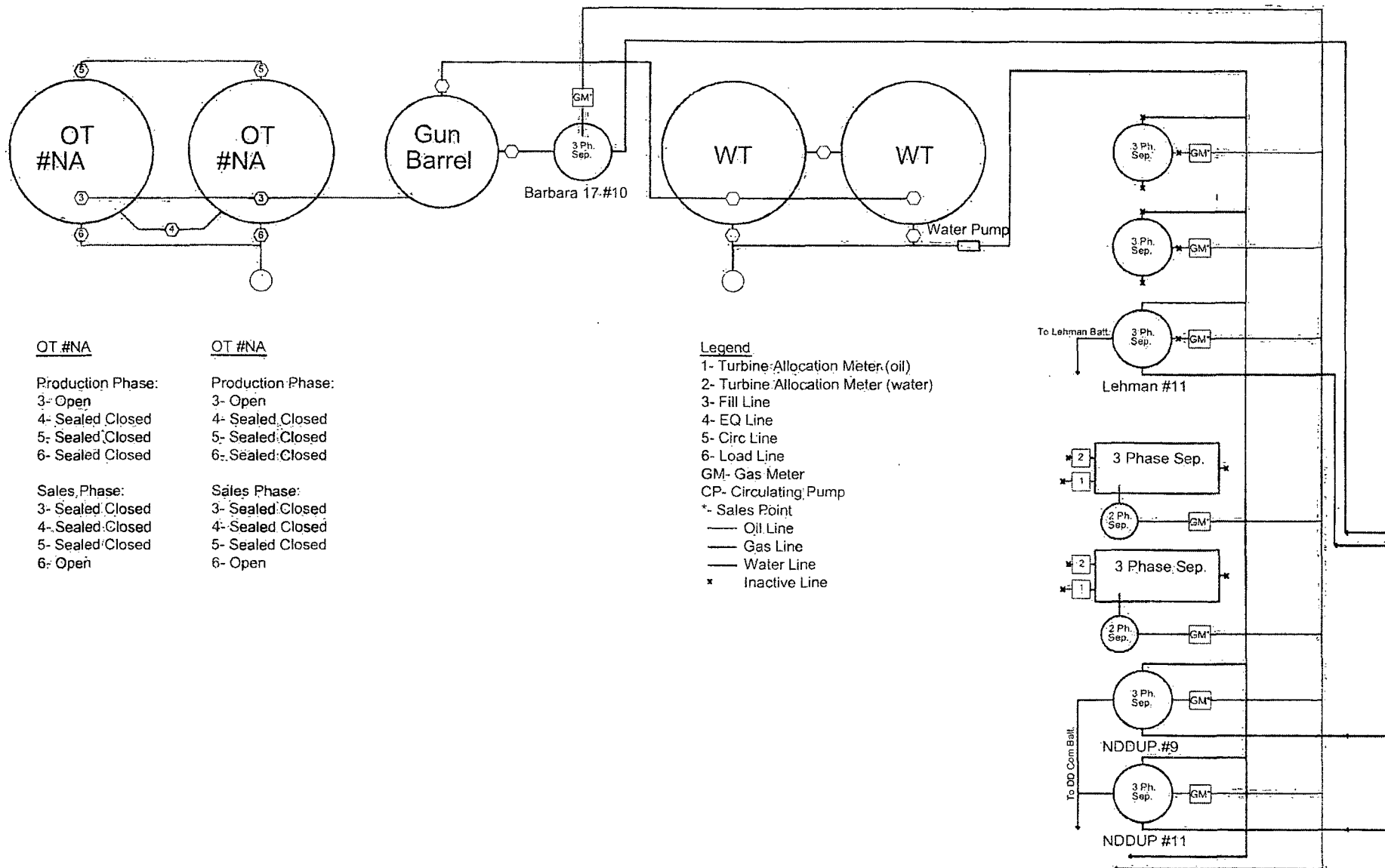


105 South 4th Street  
Artesia, NM 88210  
(575) 748-1471

Michael Farmer  
July, 2013

# Lodewick Battery

Sec 19-19S-25E  
Eddy County, NM



## SURFACE RELEASE AGREEMENT

I John A. Jr / Yates Petroleum, Of the County of Eddy  
in the state of New Mexico, am the surface owner of the lands described  
below. I do hereby give authorization to the Bureau of Land Management to enter said  
lands associated with the Yates Petroleum facility listed below. I further hereby give  
authorization to enter any gates and use any roadways located on surface lands owned by  
me that is needed to access the location described as:

Lodewick

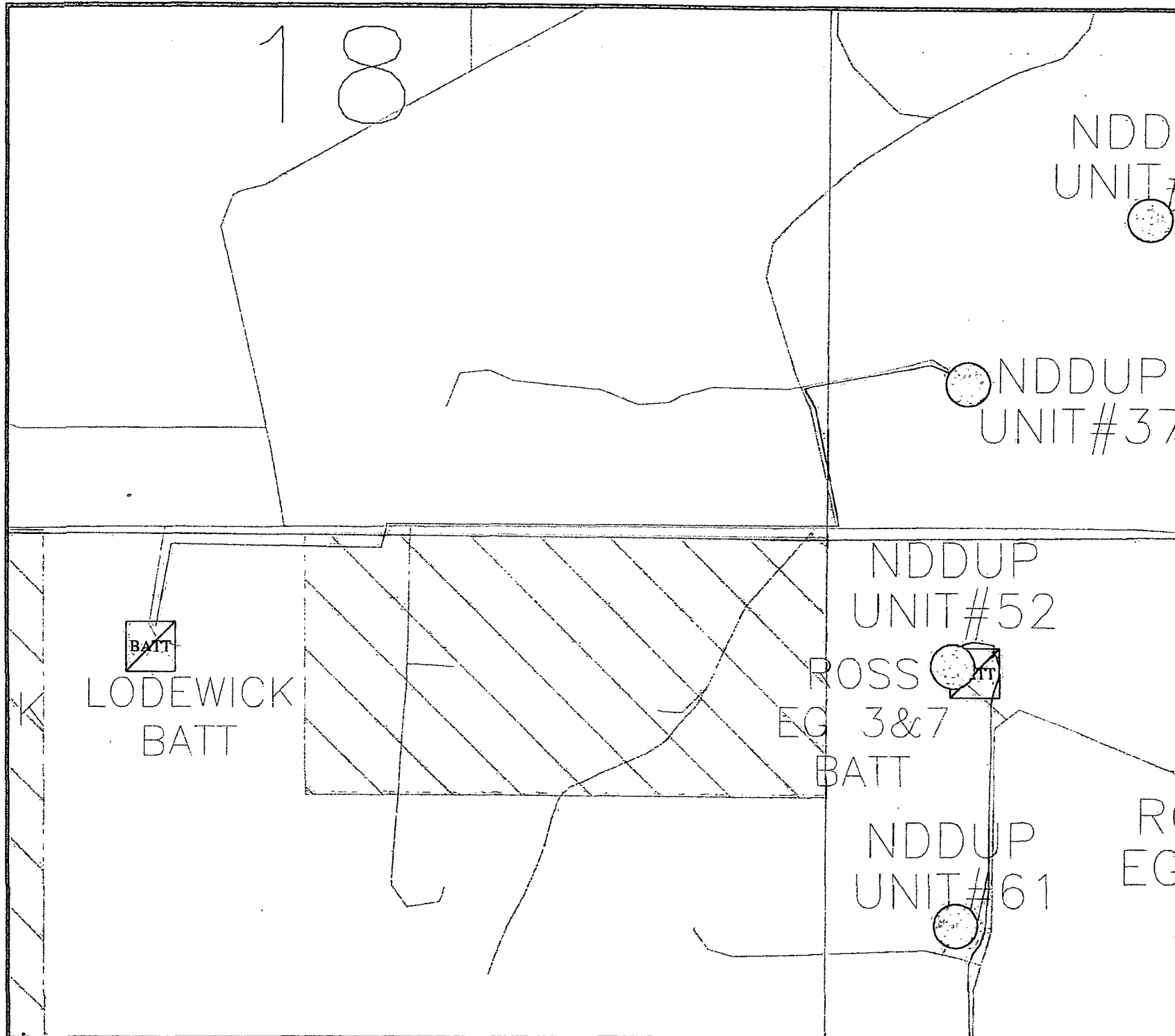
Barbara Battery


Sec 19-T19S-R25E (NENW)

Eddy County, NM

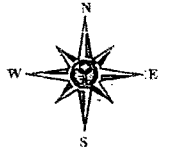
John A. Yates Jr  
Surface Owner

105 S. Fourth St.  
Artesia, NM 88210  
Address








YATES PETROLEUM CORPORATION  
105 SOUTH FOURTH (575) 745-1474  
ARTESIA, NEW MEXICO 88210



### LEGEND

- OIL WELL PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE	
T19S R25E	
SECTION	FOOTAGE
17, 18 & 19	

-  FEDERAL MINERALS
-  NM STATE
-  US BUREAU OF LAND MANAGEMENT

DRAWN BY: JAH  
 DATE DRAWN: 07-05-13  
 COUNTY: EDDY  
 STATE: NEW MEXICO  
 SHEET NUMBER: 1 OF 1  
 SCALE: 1" = 1/16 MILE

**TITLE:**

THIS MAP HAS BEEN CAREFULLY COMPILED AND PRINTED BY YATES PETROLEUM CORPORATION FROM AVAILABLE INFORMATION. YATES PETROLEUM CORPORATION DOES NOT GUARANTEE THE ACCURACY OF THIS MAP OR INFORMATION DELINEATED THEREON. NOR DOES YATES PETROLEUM CORPORATION ASSUME RESPONSIBILITY FOR ANY RELIANCE THEREON. RECIPIENT AGREES NOT TO COPY, DISTRIBUTE OR DIGITIZE THIS MAP WITHOUT EXPRESS CONSENT FROM YATES PETROLEUM CORPORATION OR ITS AFFILIATES.

**OWNERS LIST**

JOHN A YATES  
P O BOX 900  
ARTESIA, NM 88211

OCD  
1220 S SAINT FRANCIS DR  
SANTA FE, NEW MEXICO 87505

YATES INDUSTRIES LLC  
P O BOX 1091  
ARTESIA, NM 88211-1091

OXY-Y1 COMPANY  
P O BOX 841803  
DALLAS, TX 75284-1803

SHARBRO ENERGY LLC  
P O BOX 840  
ARTESIA, NM 88211-0840

TRUST Q U/W/O PEGGY A YATES  
P O BOX 900  
ARTESIA, NM 88211