

OCD-ARTESIA

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.*5. Lease Serial No.
NMNM0557142

6. If Indian, Allottee or Tribe Name.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached ✓ *2nd*

2. Name of Operator

Contact: MIRIAM MORALES

YATES PETROLEUM CORPORATION Mail: mmorales@yatespetroleum.com

9. API Well No.
Multiple--See Attached

3a. Address

105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4200
Fx: 575-748-466410. Field and Pool, or Exploratory
N SEVEN RIVERS-GLOR-YESO
SEVEN RIVERS

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

Multiple--See Attached

11. County or Parish, and State

EDDY 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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

Filing application due to diversified ownership (WI/OR), under OCD regulations.
Not-considered surface commingle under BLM definitions.

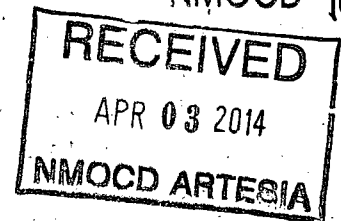
Yates Petroleum respectfully requests approval to surface lease commingle oil production only for the Ross EG Fed. #8 and the Ross EG Fed. #3.

The commingled production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Please see site security diagram and other documentation attach. All owners will be notified.

Accepted for record

NMOCD 105 4-314

**BOTH WELLS ARE ON THE SAME LEASE NO APPROVAL REQUIRED - Accepted For Record**

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

Electronic Submission #234533 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER MASON on 03/24/2014 (14JAM0336SE)

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 02/04/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**DUNCAN WHITLOCK
Title EPS

Date 04/01/2014

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 Carlsbad

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #234533 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM0557142	NMNM0557142	ROSS EG FEDERAL 3	30-015-25903-00-S2	Sec 20 T19S R25E NWNW 660FNL 660FWL ✓
NMNM0557142	NMNM0557142	ROSS EG FED 7	30-015-26945-00-S3	Sec 20 T19S R25E SENW 1980FNL 1980FWL ✓
NMNM0557142	NMNM0557142	ROSS EG FEDERAL 4	30-015-26770-00-S2	Sec 20 T19S R25E SWNW 1980FNL 660FWL ✓
NMNM0557142	NMNM0557142	ROSS EG FEDERAL 8	30-015-26948-00-S2	Sec 20 T19S R25E NWSW 1980FSL 660FWL ✓

Continuation of Ross EG #3 & 8 surface/lease Commingle oil only

Federal Lease #NM-0557142

<u>Well name</u>	<u>Pool #97565</u>	<u>BOPD</u>	<u>Gravity</u>
Ross EG Federal #3 Sec. 20-T19S-R25E, NWNW API #30-015-25903 Eddy County, NM	Glorieta-Yeso	27	38
Ross EG Federal #8 Sec. 20-T19S-R25E, NWSW API #30-015-26948 Eddy County, NM	Glorieta-Yeso	4	36.2

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Ross EG Federal #3. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Gas Measurement

Each of the wells will have its own meter.

The purpose of the Surface/lease Commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☒ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Miriam Morales
 Print or Type Name

Miriam Morales
 Signature

Production Analyst
 Title

2/14/14
 Date

mmorales@yatespetroleum.com
 e-mail Address

District I
1625 N. French Drive. Hobbs. NM 88240
District II
1301 W. Grand Ave. Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr. Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Yates Petroleum Corporation

OPERATOR ADDRESS: 105 South Fourth St. Artesia, NM 88210

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code: N. Seven Rivers; Glorieta-Yeso #97565
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attach sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Miriam Morales

TITLE: Production Analyst

DATE: 2/4/14

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

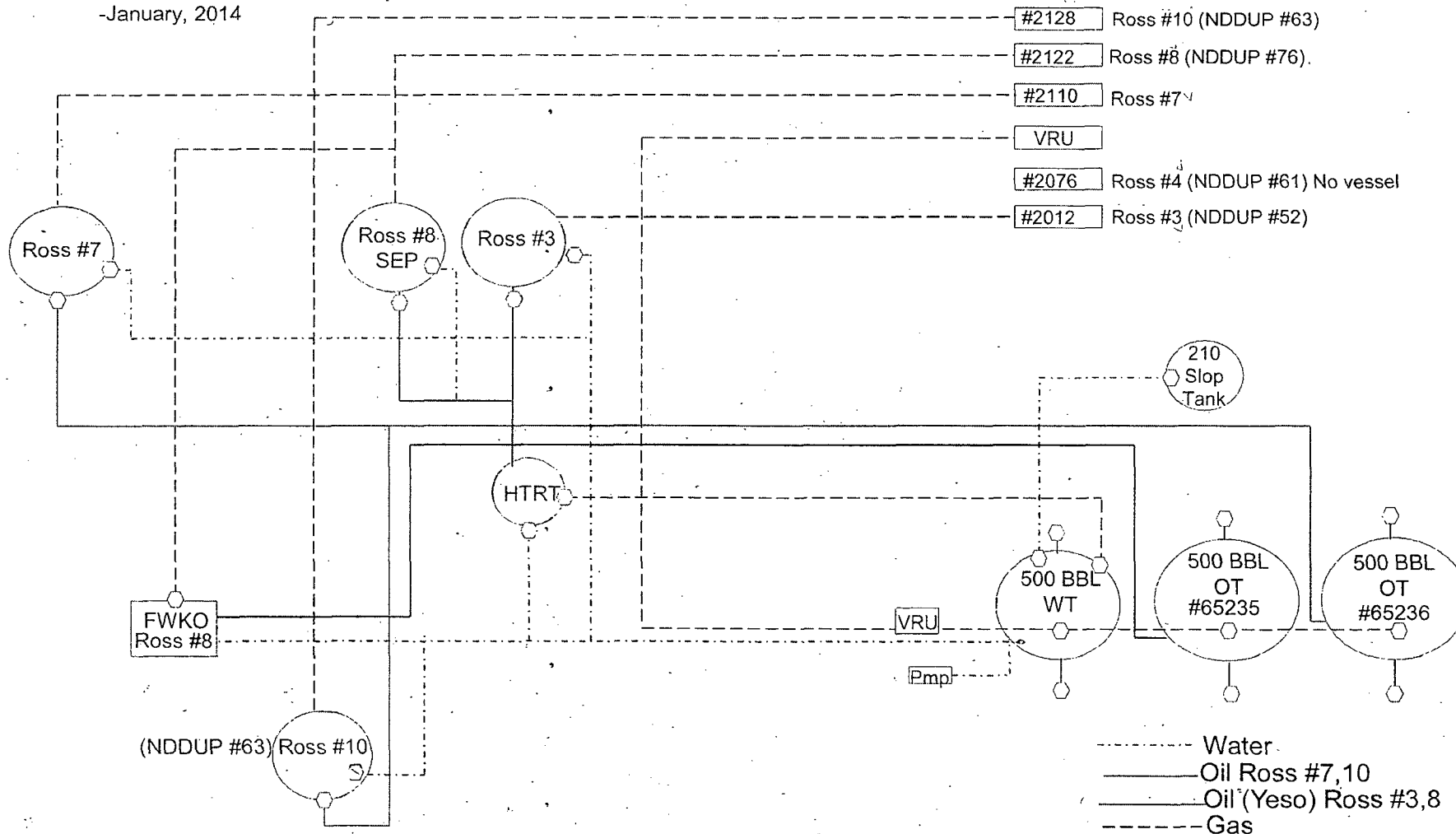


105 South 4th Street * Artesia, NM 88210
(575)-748-1471

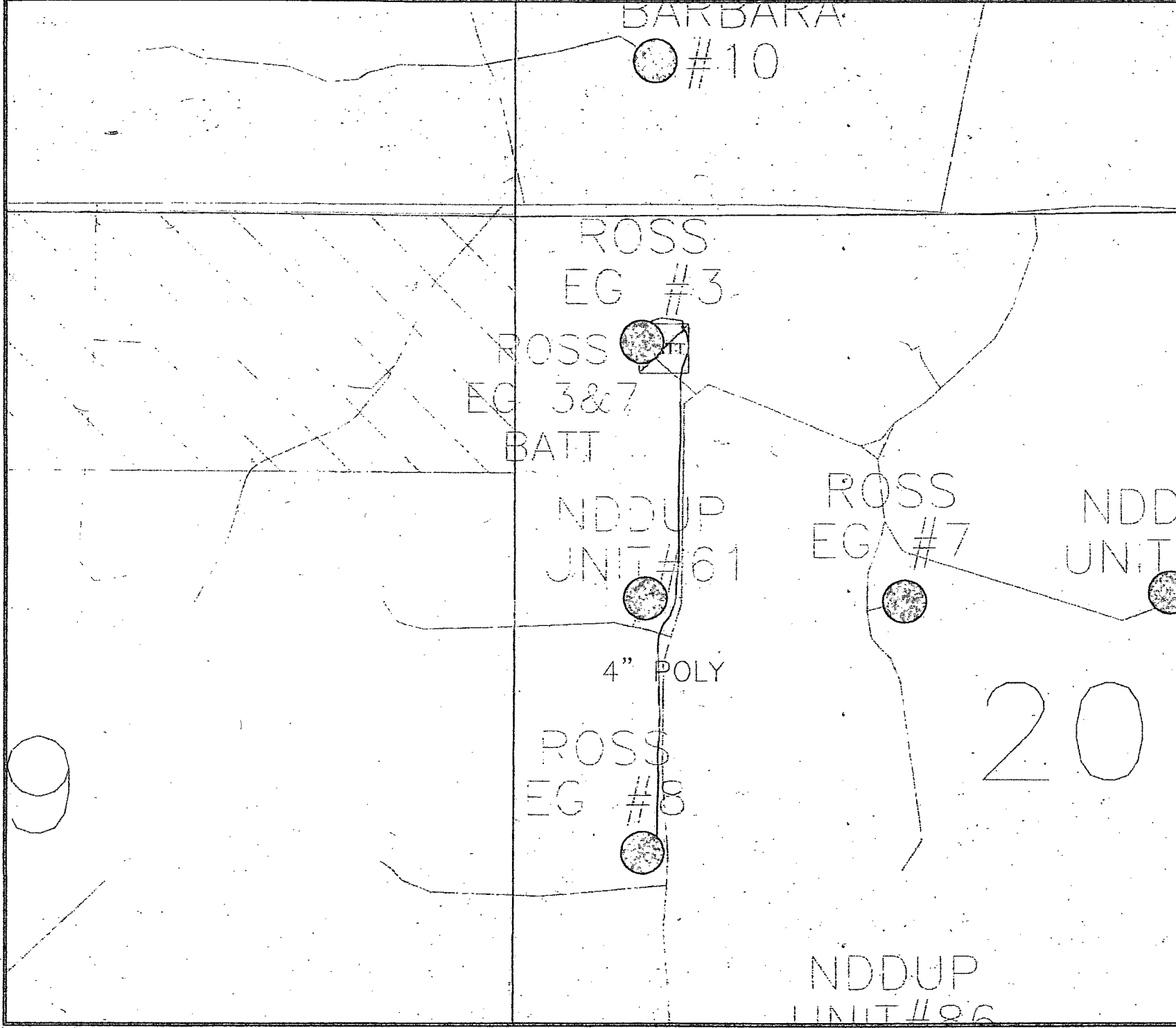
-Michael Farmer-Foreman
-January, 2014

ROSS EG FEDERAL BATTERY

Sec20 - T19S - R25E NWNW Unit D
660' FNL & 660' FWL
EDDY COUNTY, NM



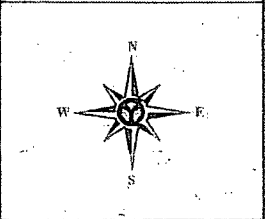
This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
which is on file at 105 South 4th Street, Artesia, NM












**YATES
PETROLEUM
CORPORATION**

105 SOUTH FOURTH (875) 719-1473
ARTESIA, NEW MEXICO 88210



- LEGEND**
-  OIL WELL PROPOSED
 -  GAS WELL
 -  OIL WELL
 -  GPS ROADS
 -  FLOW LINE YATES

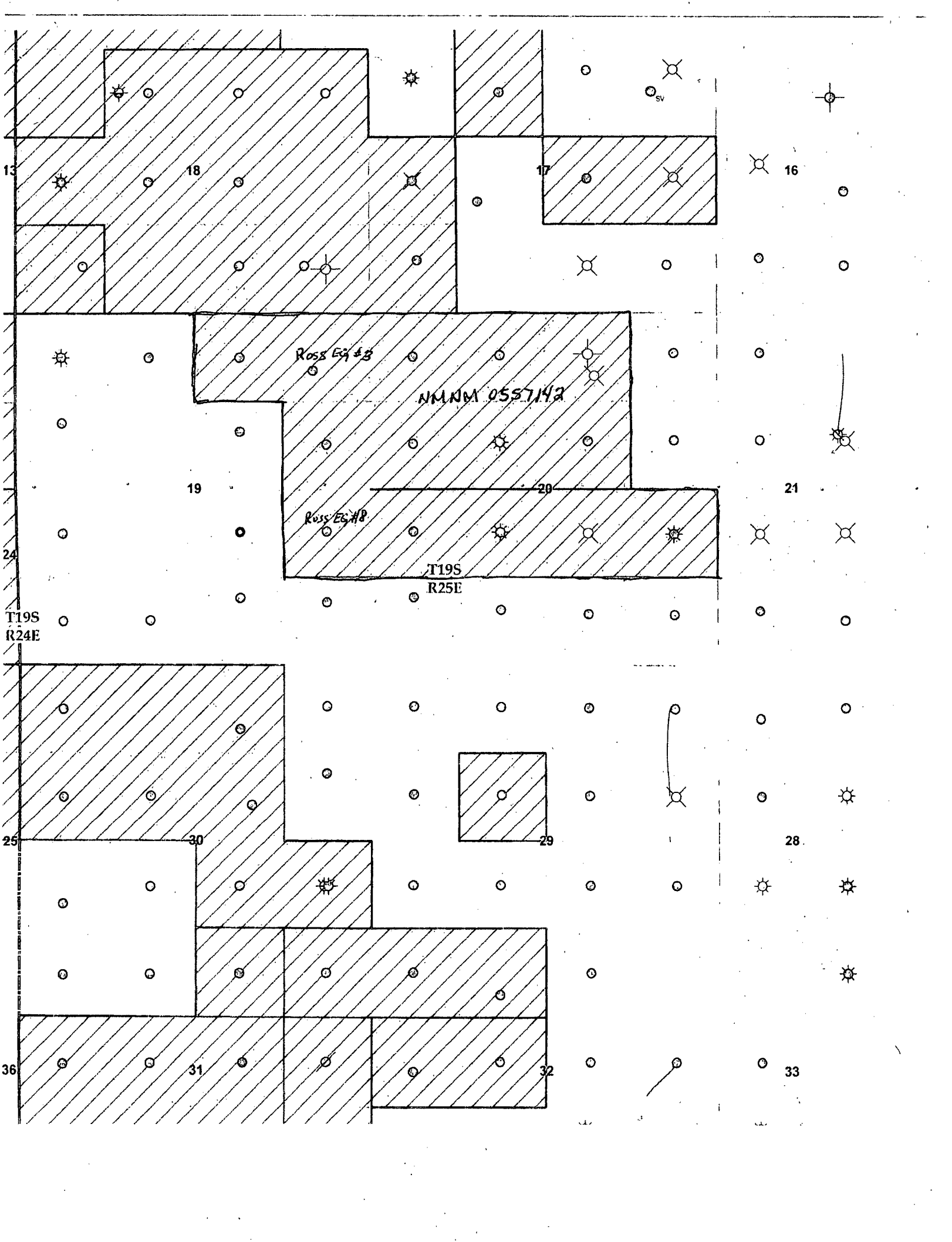
TOWNSHIP AND RANGE	
T19S R25E	
SECTION	FOOTAGE
20	

-  NM STATE
-  US BUREAU OF LAND MANAGEMENT

DRAWN BY: JAH
DATE DRAWN: 11-14-13
COUNTY: EDDY
STATE: NEW MEXICO
SHEET NUMBER: 1 OF 1
SCALE: 1" = 1/16 MILE

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.

TITLE:



MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease commingle oil only
Ross EG Fed #3 & #8
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Lease commingle oil only for the Ross EG Federal #3 and Ross EG Federal #8.

The commingle production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-0557142

<u>Well name</u>	<u>Pool #97565</u>	<u>BOPD</u>	<u>Gravity</u>
Ross EG Federal #3 Sec. 20-T19S-R25E, NWNW API #30-015-25903 Eddy County, NM	Glorieta-Yeso	27	38
Ross EG Federal #8 Sec. 20-T19S-R25E, NWSW API # 30-015-26948 Eddy County, NM	Glorieta-Yeso	4	36

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Ross EG Fed #3. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in for this application.

Gas Measurement

Each well will have its own meter.

The purpose of the Surface Lease Commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

If you have any questions, please call me at (575) 748-4200 (direct line)

I hereby approve this application

Company: Abo Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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Federal Lease #NM-0557142

Well name

Pool #97565

BOPD

Gravity

Ross EG Federal #3
Sec. 20-T19S-R25E, NWNW
API #30-015-25903
Eddy County, NM

Glorieta-Yeso

27

38

Ross EG Federal #8
Sec. 20-T19S-R25E, NWSW
API # 30-015-26948
Eddy County, NM

Glorieta-Yeso

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I hereby approve this application


Company: Myco Industries Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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Federal Lease #NM-0557142

Well name

Ross EG Federal #3
Sec. 20-T19S-R25E, NWNW
API #30-015-25903
Eddy County, NM

Pool #97565

Glorieta-Yeso

BOPD

27

Gravity

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Ross EG Federal #8
Sec. 20-T19S-R25E, NWSW
API # 30-015-26948
Eddy County, NM

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I hereby approve this application


Company: Sharbro Energy, LLC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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Federal Lease #NM-0557142

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I hereby approve this application

Company: Trust Q U/W/O Peggy A Yates

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SECRETARY

DENNIS G. KINSEY
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PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease commingle oil only
Ross EG Fed #3 & #8
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Lease commingle oil only for the Ross EG Federal #3 and Ross EG Federal #8.

The commingle production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-0557142

Well name

Ross EG Federal #3
Sec. 20-T19S-R25E, NWNW
API #30-015-25903
Eddy County, NM

Pool #97565

Glorieta-Yeso

BOPD

27

Gravity

38

Ross EG Federal #8
Sec. 20-T19S-R25E, NWSW
API # 30-015-26948
Eddy County, NM

Glorieta-Yeso

4

36

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Ross EG Fed #3. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in for this application.

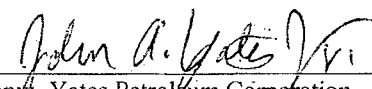
Gas Measurement

Each well will have its own meter.

The purpose of the Surface Lease Commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

If you have any questions, please call me at (575) 748-4200 (direct line).

I hereby approve this application



Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

ROBERT B BUNN 7012 3460 0001 7460 0450
REV. LIVING TRUST
2493 MAKIKI HEIGHTS DR
HONOLULU HI 96822-2547

MELANIE COLL DETEMPE 7012 3460 0001 7460 0467
5653 TOBIAS AVE
VAN NUYS CA 91411

FRANCES B BUNN 7012 3460 0001 7460 0474
REV. LIVING TRUST
2493 MAKIKI HEIGHTS DR
HONOLULU HI 96822-2547

JUDSON PROPERTIES, LTD 7012 3460 0001 7460 0481
P O BOX 3340
MIDLAND TX 79702

CLARKE C COLL 7012 3460 0001 7460 0498
P O BOX 1818
ROSWELL NM 88202-1818

KOCHERGEN ENTERPRISES 7012 3460 0001 7460 0504
8163 W MCKINLEY AVE
FRESNO CA 93722

ERIC J COLL 7012 3460 0001 7460 0511
P O BOX 1818
ROSWELL NM 88202-1818

LAI CORPORATION 7012 3460 0001 7460 0528
P O BOX 10626
MIDLAND TX 79702-7626

CHARLES H COLL 7012 3460 0001 7460 0535
P O BOX 1818
ROSWELL NM 88202-1818

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

STEPHEN E LAUCK

7012 3460 0001 7460 0542

P O BOX 2638

DANVILLE CA 94526

SALLY RODGERS COLL

7012 3460 0001 7460 0559

152 B ARROYO HONDO RD

SANTA FE NM 87508

MARSHALL & WINSTON INC

7012 3460 0001 7460 0566

P O BOX 50880

MIDLAND TX 79710-0880

JON F COLL

7012 3460 0001 7460 0573

P O BOX 1818

ROSWELL NM 88202-1818

KAREN V & WILLIAM H MARTIN ENERGY, LTD

7012 3460 0001 7460 0580

400 N MARIENFELD SUITE 100

MIDLAND TX 79701-4310

JON F COLL II

7012 3460 0001 7460 0597

7335 WALLA WALLA DR

SAN ANTONIO TX 78250-5242

PANHANDLE OIL & GAS INC

7012 3460 0001 7460 0603

5400 N GRAND BLVD SUITE 300

OKLAHOMA CITY OK 73112-5672

MAX W COLL II

7012 3460 0001 7460 0610

83 LA BARBARIA TRAIL

SANTA FE NM 87505-9008

MAX W COLL III

7012 3460 001 7460 0627

7625 EL CENTRO BLVD #2

LAS CRUCES NM 88012-9323

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

YATES INDUSTRIES LLC

7012 3460 0001 7460 0634

P O BOX 1091

ARTESIA NM 88211-1091

OXY Y-1 COMPANY

7012 3460 0001 7460 0641

P O BOX 841803

DALLAS TX 75284-1803

OIL CONSERVATION DIVISION

7012 3460 0001 7460 0658

1220 S ST. FRANCIS DRIVE

SANTA FE NM 87505