07/30/co13

TYPE OLM

APP NO AXICIBALISALISA

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

PECENTE OCD - Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505





ADMINISTRATIVE APPLICATION CHECKLIST

Т	HIS CHECKLIST IS M	NDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	[DHC-Down [PC-Po	
[1]	[A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD One Only for [B] or [C] 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]	NOTIFICAT [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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]		TURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE TION INDICATED ABOVE.
	val is accurate a	TON: I hereby certify that the information submitted with this application for administrative d complete to the best of my knowledge. I also understand that no action will be taken on this uired information and notifications are submitted to the Division.
	Note	Statement must be completed by an individual with managerial and/or supervisory capacity.
	Morales or Type Name	Signature Production Analyst 7/24/3 Date
	- \range L = - mmc	mmorales@yatespetroleum.com

e-mail Address

<u>District I</u> 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 District IV 1220 S. St Fran

State of New Mexico

Energy, Minerals and Natural Resources Department

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

Form C-107-B

Revised June 10, 2003

87505	co 12 2: E2			appropriate Dis	strict Office.
7913 UL APPLICA	29 ₱ 2: 53 ation for surface	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	Yates Petroleum Corporation				
OPERATOR ADDRESS:	105 South Fourth St. Artesia, 1	NM 88210			
APPLICATION TYPE:	_	_			
_	Commingling Pool and Lease Co		Storage and Measur	ement (Only if not Surfac	e Commingled)
LEASE TYPE: Fee	e ☐ State ☒ Fedeting Order? ☐ Yes ☒ No If		ho annungiata (Indon No	
	nagement BLM and State Land				ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
		-			
		-			
		-			
		-			
(4) Measurement type:					
Please attach sheets with the following information (1) Pool Name and Code. (2) Is all production from same source of supply?					
		LEASE COMMIN			
(1) Complete Sections A and I		ts with the following in	ntormation		
(D) OFF-LEASE STORAGE and MEASUREMENT					
Please attached 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 INFO	DRMATION (for all		pes)	
 A schematic diagram of facility, including legal location. A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Lease Names, Lease and Well Numbers, and API Numbers. 					
I hereby certify that the information above is flue and complete to the best of my knowledge and belief.					
SIGNATURE: Analyst DATE: 7/34/3					
TYPE OR PRINT NAME Miriam Morales TELEPHONE NO.: (575) 748-1471					
F-MAIL ADDRESS: mmorale	s@vatespetrolem.com				

Form 3160-5 FORM APPROVED **UNITED STATES** (August 2007) OMB NO. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 BUREAU OF LAND MANAGEMENT Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS not use this form for proposals to drill or to re-enter an NMNM85310 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. If Unit or CA/Agreement, Name and/or No. NMNM11025X SUBMIT IN TRIPLICATE Other instructions on reverse side. 8. Well Name and No. NDDUP UNIT 37 1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other Name of Operator API Well No. MIRIAM MORALES Contact: YATES PETROLEUM CORPORATIONE-Mail: mmorales@yatespetroleum.com 30-015-26570 Field and Pool, or Exploratory N SEVEN RIVERS; GLOR-YESO 3a. Address 3b. Phone No. (include area code) 105 S FOURTH STREET Ph: 575-748-4200 ARTESIA, NM 88210 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Sec 17 T19S R25E SWSW 780FSL 730FWL EDDY COUNTY COUNTY, NM 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 ■ Notice of Intent □ Alter Casing □ Fracture Treat ■ Reclamation ■ Well Integrity ■ Subsequent Report ■ New Construction Other Casing Repair □ Recomplete Off-Lease Measuremen ☐ Final Abandonment Notice □ Change Plans □ Plug and Abandon ☐ Temporarily Abandon ☐ Convert to Injection □ Plug Back ■ 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 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 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.

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

Name (Printed/Typed) MIRIAM MORALES Title PRODUCTION ANALYST

Signature (Electronic Submission) Date 07/25/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

Gas Measurement

Approved By

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.

Title

Office

Date

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 attched 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.

.

Schools to Appropriate District Office Pate Lease - 4 copies Per Lease - 3 comes

State of New Mexico gy, Minerals and Natural Resources Departs

Perm C-102 Revised 1-1-89

DISTRICT!
P.O. Box 1960, Hobbs, NM 86240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

P.O. Durwer DD. Artesia, NM \$8210

DISTRICT III 1000 Rio Bessos Rd., Aziec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section Well No. CONOCO. INC. Barbra Federal 11 19 South 17 25 East Eddy NATM Actual Pootage Location of Well: feet from the West 730 South feet from the Ground level Elev. cing Pomestion 3578.0 Acres 1. Outline the acreage dedicated to the subject well by colored peacil or hackure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lense of different ownership is dedicated to the well, have the interest of all owners been consolidated by communication. unitization, force-pooling, etc.? ☐ No Yes If nerver is "yes" type of consolidation r is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of No allowable will be assigned to the well until all interests have been consolidated (by communication, 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 in true and complete to the best of my inouladge and belief. Signature Printed Name Position Company SURVEYOR CERTIFICATION 990 3580.5-----35721.0 3571.6 3522.5 RONALD & EIDSON. 3239 1320 1650 1900 2310 2640 1000

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
AVERAGE	8,569	21,480	2.16

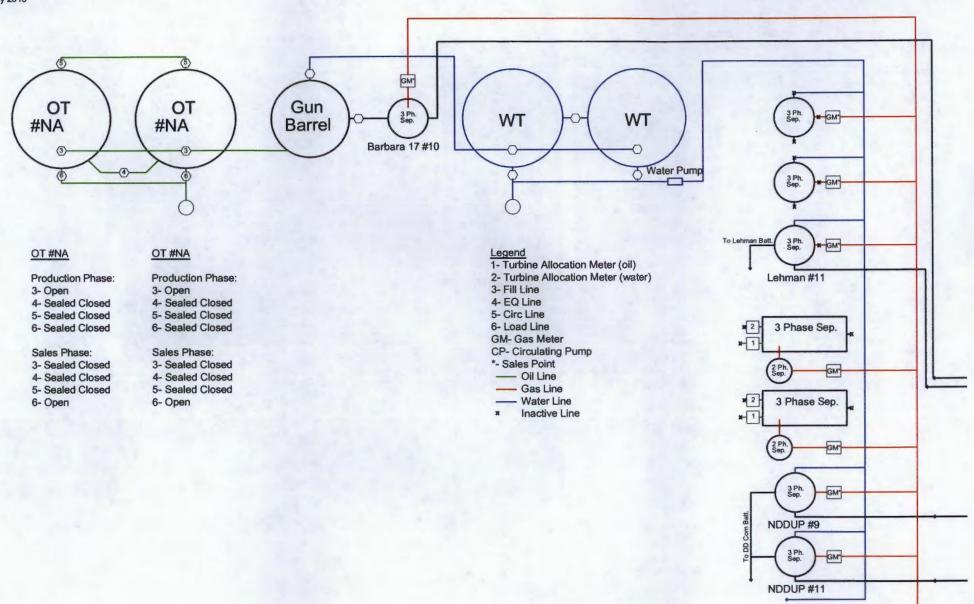


105 South 4th Street Artesia, NM 88210 (575) 748-1471

Michael Farmer July 2013

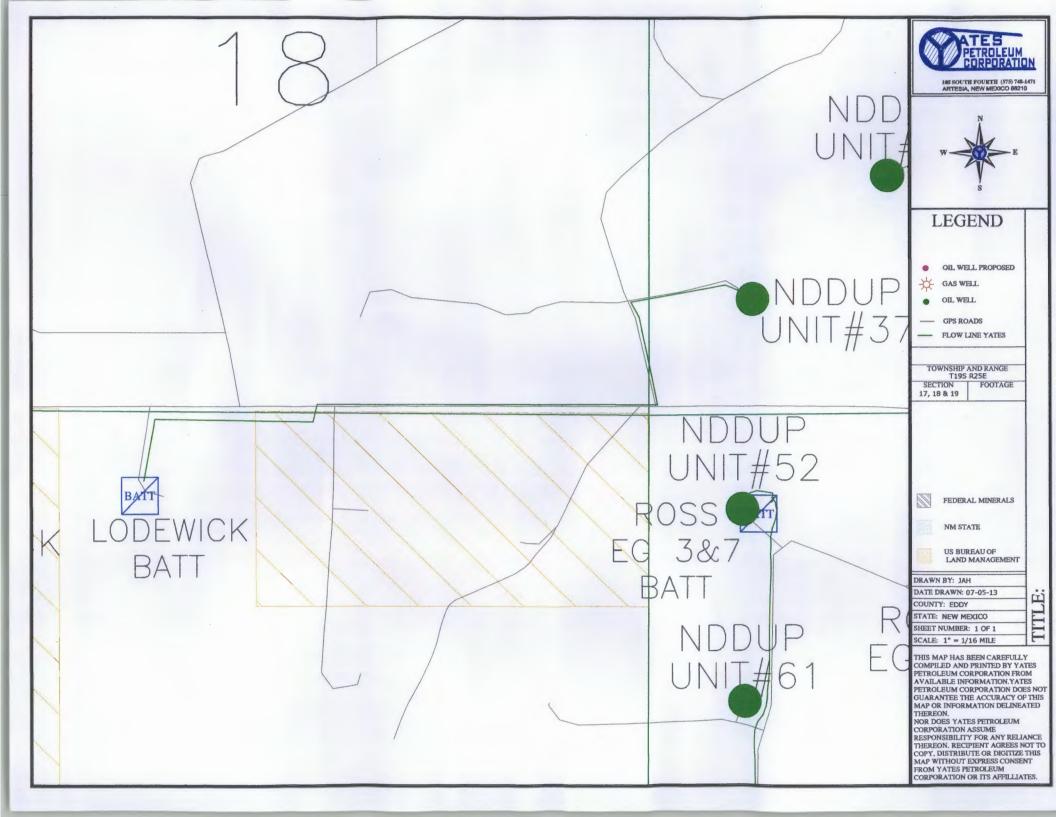
Lodewick Battery

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



SURFACE RELEASE AGREEMENT

I John A. Jr / Vates Petroleum.	Of the County of Eddy
in the state of New Mexico,	
below. I do hereby give authorization to the	
lands associated with the Yates Petroleum fa	acility 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 desc	cribed as:
Johnsk	
Lookwick Barbara Battery	
Sec 19-T19S-R25E (NENW)	
· · · · · · · · · · · · · · · · · · ·	_
Eddy County, NM	-
	A. 1 100 X
	Jour a gas
	// Surfage Owner
	103 S. Fourth St.
	Actesia NM 88210
	Address



OWNERS LIST

JOHN A YATES P O BOX 900 ARTESIA, NM 88211 OCD 1220 S SAINT FRANCIS DR SANTA FE, NEW MEXICO 87505

YATES INDUSTIES 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 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

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: Off Lease Measurement

July 24, 2013

NDDUP Unit #37 Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to off lease measure production upon completion of the NDDUP unit #37.

The production will be measured and sold at the Lodewick tank battery facilities located at Sec. 19-T19S-25E.

Oil measurement

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

Gas Measurement

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

All equipment is located on Fee land and waiver to access property will be sent to BLM.

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.

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.

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

Sincerely,

Miriam Morales Production Analyst

I hereby approve this application

Company: Yates Petroleum Corporation

KATHY H. PORTER SECRETARY

DENNIS G. KINSEY TREASURER MARTIN YATES, III

FRANK W. YATES 1936-1986

> S.P YATES 1914-2008



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

105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

July 24, 2013

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Sincerely,

Miriam Morales Production Analyst

I hereby approve this application

Company: Sharbro Energy

DENNIS G. KINSEY

KATHY H. PORTER

SECRETARY

MARTIN YATES, III 1912-1985

FRANK W. YATES

S.P YATES

July 24, 2013



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

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Miriam Morales Production Analyst

I hereby approve this application

Company: John A Yates

KATHY H. PORTER

DENNIS G. KINSEY

MARTIN YATES, III

FRANK W. YATES

S.P YATES 1914-2008

July 24, 2013



105 SOUTH FOURTH STREET

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Sincerely,

Miriam Morales Production Analyst

Company: Trust Q U/

I hereby approve this application

KATHY H. PORTER

DENNIS G. KINSEY

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P YATES



JOHN A. YATES

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL OFFICER

JAMES S. BROWN CHIEF OPERATING OFFICER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.vatespetroleum.com

July 24, 2013

RE: Off Lease Measurement NDDUP Unit #37 Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to off lease measure production upon completion of the NDDUP unit #37.

The production will be measured and sold at the Lodewick tank battery facilities located at Sec. 19-T19S-25E.

Oil measurement

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

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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.

Any objections must be filed in writing with the Oil Conservation Division in Santa Fe within 20 days from the date the division received the application. Application will be sent in conjunction with notification to owners.

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

Sincerely,

Miriam Morales Production Analyst

CERTIFIED MAIL,

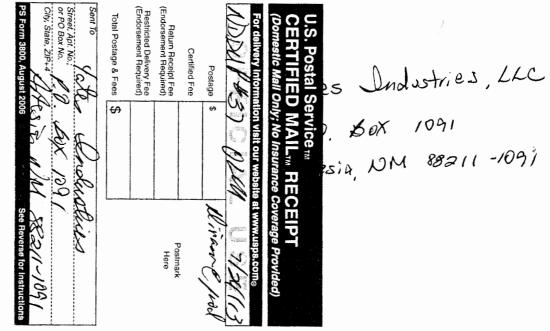


YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210



7012 3460 0000 8009 6767 7012 3460 0000 8009 6767

ADDRESS SERVICE REQUESTED



OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

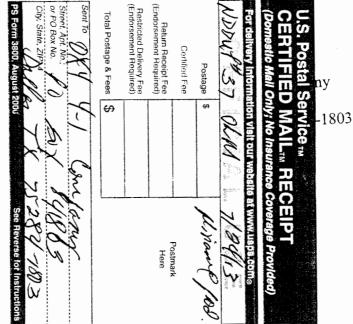
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Yates Deduties P. D. Box 109 (A. Signature X
AAesia, NM 88211-1091	3. Service Type Certified Mail
2. Article Number (Transfer from se 7012 3460 0000	8009 6767
PS Form 3811, February 2004 Domestic Re	turn Receipt 102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

7012 3460 0000 8009 6750 7012 3460 0000 8009 6750

ADDRESS SERVICE REQUESTED



OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X		
Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No		
OXY-Y-1 Company P.O. Box 841803 Dallas, TX 75284-1803	3. Service Type Certified Mall		
	☐ Insured Mail ☐ C.O.D.		
	4. Restricted Delivery? (Extra Fee) Yes		
2. Article Number (Transfer from se 7012 3460 0000	8009 6750		
PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540		

BB 电阻性 第 0 字 0 张 对作与某作 (Fine c)然 数 3