

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 SEC
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.

MAYTE REYES
Print or Type Name

[Signature]
Signature

Production Clerk 11-10-08
Title Date

mayte@y.pcnm.com
e-mail Address

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
2006 NOV 12 PM 3:19
FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial No. NM-105211
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals		6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7. If Unit or CA. Agreement Designation
1. Type of Well Oil Gas <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	8. Well Name and No. Pequeno Mike BLU Federal #1H	
2. Name of Operator Yates Petroleum Corporation	9. API Well No. 30-015-36390	
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (575) 7481471	10. Field and Pool, or Exploratory Area County Line Tank Wolfcamp	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 200' FSL & 200' FWL Section 2-T16S-R29E SWSW Unit M SHL 950' FSL & 330' FWL Section 3-T16S-R29E SWSW Unit M BHL	11. County or Parish, State Eddy County, NM	

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Lease Commingle	<input type="checkbox"/> Dispose Water
(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)		

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 respectfully request administrative approval to Lease Commingle the following wells;

Please see attachment.

The Battery is located at the Big Miguel BKN State Com #1. Please see attached plat and site facility diagram.

Diversified ownership.

Oil measurement.

The Pequeno Mike BLU Federal #1H shall be equipped with a continuous metering separator located on the Big Miguel BKN State Com #1H prior to oil being commingled for sales. A subtraction method of measurement will be used for the Big Miguel BKN State Com #1H for allocation purposes.

Gas measurement.

Each of these wells will be equipped with allocation meters for gas prior to commingling located on the Big Miguel BKN State Com #1H. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #1H location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily gas production for the Big Miguel BKN State Com #1 is 100 mcf, and 60 barrels of oil and the estimated gas production for the Pequeno Mike BLU Federal #1H is 200 mcf per day and 300 barrels per day.

The purpose of the Lease Commingle is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

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.

14. I hereby certify that the foregoing is true and correct		
Signed <u>Miguel Regs</u>	Title Production Secretary	Date November 10, 2008
(This space for Federal or State office use)		
Approved by _____	Title _____	Date _____
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.		

Federal

Pequeno Mike BLU Federal #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp(not yet completed)
Eddy County, NM
Federal Lease #NM-105211
API# 30-015-36390

State

Big Miguel BKN State Com #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp
Eddy County, NM
State Lease # B-2885
API# 30-015-36027

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: YATEJ PETROLEUM CORPORATION
OPERATOR ADDRESS: 105 SOUTH 4TH STREET 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.
(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) 4 subtraction method

(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 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 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: Mate Reyes

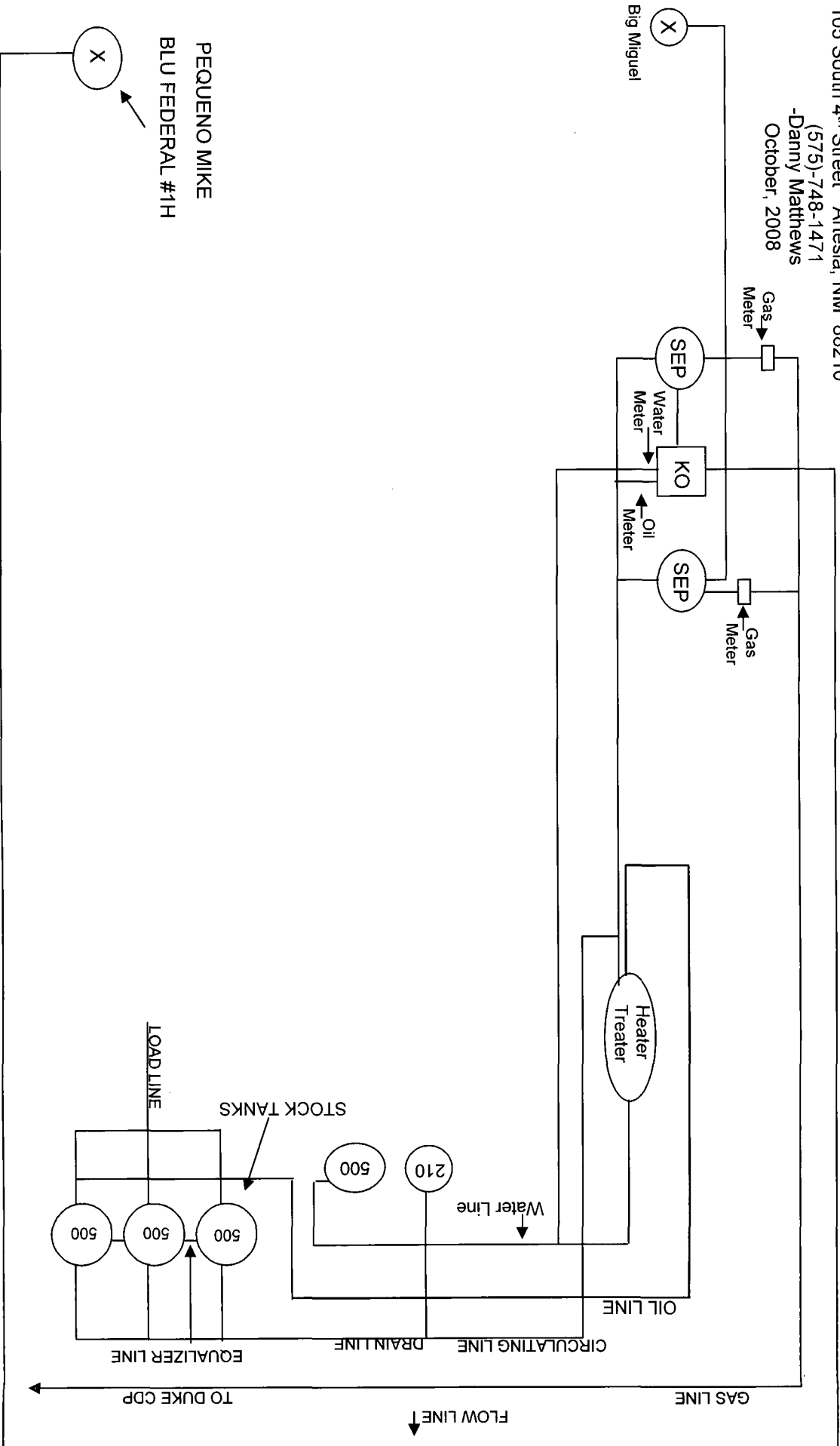
TITLE: PRODUCTION CLERK DATE: 11-10-08



105 South 4th Street * Artesia, NM 88210

(575)-748-1471
-Danny Matthews
October, 2008

BIG MIGUEL BKN ST COM #1
400' FSL & 220' FWL * Sec 2 - T 16S - R29E * Unit M
Eddy County, NM
30-015-36027



PEQUENO MIKE
BLU FEDERAL #1H

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

DISTRICT I

1425 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1900 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

JAN - 9 2008

OCD ARTESIA C-102
EFFECTIVE DATE 12, 2006

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

S

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-66400	Pool Code 96084	Pool Name Wildcat Wolfcamp
Property Code	Property Name BIG MIGUEL "BKN" STATE COM	Well Number 1H
OCD No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3721'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	2	16 S	29 E		785	SOUTH	150	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	2	16 S	29 E		330	SOUTH	330	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>SURFACE LOCATION Lat - N33°56'44.26" Long - W104°03'13.02" SPC - N.: 707967.936 E.: 627144.879 (NAD-83)</p> <p>BOTTOM HOLE LOCATION Lat - N32°56'39.60" Long - W104°02'16.48" SPC - N.: 707410.989 E.: 631964.208 (NAD-83)</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><i>Cy Cowan</i> Signature _____ Date _____</p> <p>Cy Cowan, Regulatory Printed Name Agent</p>	
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 8 2007</p> <p>Date Stamp _____</p> <p>Signature _____ Professional _____</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	
<p>Project Area</p> <p>Producing Area</p> <p>50' Penetration Point 768's/330'w</p> <p>785' 330'</p>			

DISTRICT I

1626 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name Wildcat Wolfcamp
Property Code	Property Name PEQUENO MIKE "BLU" FEDERAL	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3718'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	16 S	29 E		200	SOUTH	200	WEST	EDDY

Bottom Hole Location If Different From Surface

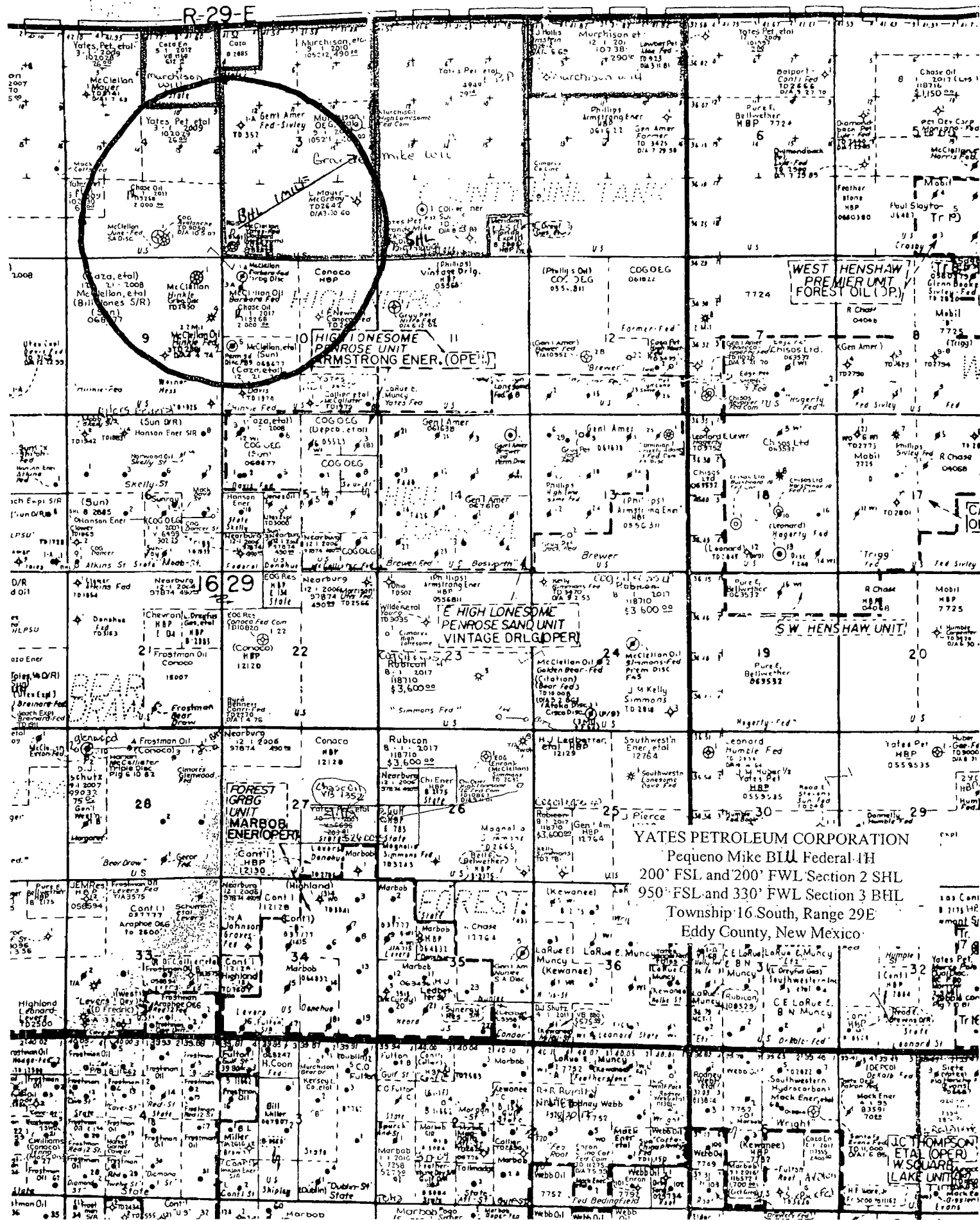
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	16 S	29 E		950	SOUTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Cy Cowan</i> 5/15/08 Signature Date</p> <p>Cy Cowan Printed Name</p>
<p>BOTTOM HOLE LOCATION Lat - N32°56'45.87" Long - W104°04'12.61" SPC- N.: 708017.706 E.: 622066.909 (NAD-83)</p>		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 1 2008 Date Surveyed Signature & Seal of Professional Surveyor W.D. Jones Certificate No. Gary L. Jones 7977</p>
<p>BASIN SURVEYS</p>		

R-29-E



MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval to Lease Commingle the following wells;

Federal

Pequeno Mike BLU Federal #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp(not yet completed)
Eddy County, NM
Federal Lease #NM-105211
API# 30-015-36390

Federal

Big Miguel BKN State Com #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp
Eddy County, NM
State Lease # B-2885
API# 30-015-36027

Oil measurement.

The Pequeno Mike BLU Federal #1H shall be equipped with a continuous metering separator located on the Big Miguel BKN State Com #1H prior to oil being commingled for sales. A subtraction method of measurement will be used for the Big Miguel BKN State Com #1H for allocation purposes. ✓

Gas measurement.

Each of these wells will be equipped with allocation meters for gas prior to commingling located on the Big Miguel BKN State Com #1H. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #1H location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

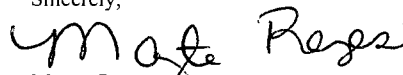
The purpose of the Commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

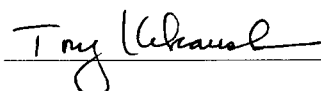
Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,


Mayte Reyes
Production Clerk

I hereby approve this application



Company: Yates Drilling Company.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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CHAIRMAN OF THE BOARD

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PEYTON YATES
DIRECTOR

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November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

Dear Interest Owner:

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Federal

Pequeno Mike BLU Federal #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp(not yet completed)
Eddy County, NM
Federal Lease #NM-105211
API# 30-015-36390

Federal

Big Miguel BKN State Com #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp
Eddy County, NM
State Lease # B-2885
API# 30-015-36027

Oil measurement.

The Pequeno Mike BLU Federal #1H shall be equipped with a continuous metering separator located on the Big Miguel BKN State Com #1H prior to oil being commingled for sales. A subtraction method of measurement will be used for the Big Miguel BKN State Com #1H for allocation purposes.

Gas measurement.

Each of these wells will be equipped with allocation meters for gas prior to commingling located on the Big Miguel BKN State Com #1H. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #1H location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The purpose of the Commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: MYCO Industries, Inc.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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CHAIRMAN OF THE BOARD

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PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

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Eddy County, NM
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API# 30-015-36390

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Big Miguel BKN State Com #01H
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State Lease # B-2885
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Oil measurement.

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Each of these wells will be equipped with allocation meters for gas prior to commingling located on the Big Miguel BKN State Com #1H. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #1H location.

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The proposed commingling is necessary for economic operation of the above referenced leases.

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If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,


Mayte Reyes
Production Clerk

I hereby approve this application



Company: ABO Petroleum Corporation.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

Dear Interest Owner:

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Eddy County, NM
Federal Lease #NM-105211
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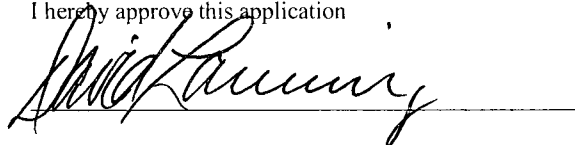
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If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,


Mayte Reyes
Production Clerk

I hereby approve this application



Company: Yates Petroleum Corporation.

RANDY G. PATTERSON
SECRETARY

DAVID LANNING
CHIEF OPERATING OFFICER

DENNIS G. KINSEY
TREASURER

November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

Dear Interest Owner:

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County Line Tank/Wolfcamp
Eddy County, NM
State Lease # B-2885
API# 30-015-36027

Oil measurement.

The Pequeno Mike BLU Federal #1H shall be equipped with a continuous metering separator located on the Big Miguel BKN State Com #1H prior to oil being commingled for sales. A subtraction method of measurement will be used for the Big Miguel BKN State Com #1H for allocation purposes.

Gas measurement.

Each of these wells will be equipped with allocation meters for gas prior to commingling located on the Big Miguel BKN State Com #1H. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #1H location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The purpose of the Commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.



Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Mayte Reyes
Production Clerk

November 10, 2008

Re: Lease Commingle
County Line Tank Wolfcamp
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval to Lease Commingle the following wells:

Federal

Pequeno Mike BLU Federal #01H
Sec 2-T16S-R29E *Unit M*
County Line Tank/Wolfcamp(not yet completed)
Eddy County, NM
Federal Lease #NM-105211
API# 30-015-36390

Federal

Big Miguel BKN State Com #01H
Sec 2-T16S-R29E
County Line Tank/Wolfcamp *Unit M*
Eddy County, NM
State Lease # B-2885
API# 30-015-36027 *BA P*

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Mayte Reyes
Mayte Reyes
Production Clerk

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Eddy County, New Mexico

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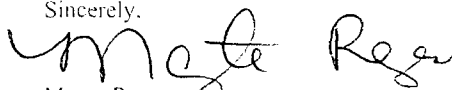
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Production Clerk

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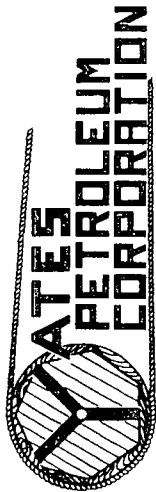
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Sincerely,



Mayte Reyes
Production Clerk



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7007 0710 0000 3415 9929
7007 0710 0000 3415 9929

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
REQUESTED OFFICIAL USE	
Postage \$	MAYE-PROD 11-10-08 Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Tot: Chase Oil Corporation	
Sent	P.O. Box #1767
Street or P.O.	Artesia, NM 88211-1767
City	
PS Form 3800, August 2006 See Reverse for Instructions	

- ☐ 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:

Chase Oil Corporation
P.O. Box #1767
Artesia, NM 88211-1767

2. Article Number **7007 0710 0000 3415 9929**
(Transfer from serv)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

A. Signature

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Certified Mail

- ☐ A mailing receipt
- ☐ A unique identifier
- ☐ A record of delivery

Important Reminders

- ☐ Certified Mail must be used for Restricted Delivery.
- ☐ Certified Mail is not insurable for more than \$500. For valuables, please use Registered Mail.
- ☐ For an additional delivery, To obtain a Receipt (PS Form 3811), Endorsement must be made on the back of the mailpiece.
- ☐ For an additional addressee's authentication, Endorsement "F" must be made on the back of the mailpiece.
- ☐ If a postmark or cancellation is not present, a receipt is not needed.

IMPORTANT: Save
PS Form 3800, August 2003



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Return to MILE & BULL	
Postage \$	170-08
Certified Fee	170-08
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	
Robert C. Chase, whose wife is Deb E. Chase	
Sent To	Chase
Street, P.O. Box #297	Artesia, NM 88211-0297
City, St	
PS Form 3800, August 2006 See Reverse for Instructions	

7007 0710 0000 3415 9936
7007 0710 0000 3415 9936

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT

SENDER: COMPLETE THIS SECTION

- 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:

Robert C. Chase, whose wife is Deb E.
Chase
P.O. Box #297
Artesia, NM 88211-0297

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

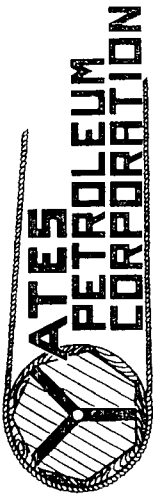
7007 0710 0000 3415 9936

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Certified Mail
■ A mailing receipt
■ A unique identifier
■ A record of delivery
Important Return
■ Certified Mail
■ Certified Mail
■ NO INSURANCE
■ For an additional delivery fee, To a delivery, To a recipient (PS Receipt (PS fee. Endorse a duplicate required.
■ For an addressee's endorsement
■ If a postmark is at the place of receipt is not required.
IMPORTANT:
PS Form 3800, April



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7007 0710 0000 3415 9905
7007 0710 0000 3415 9905

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
RECEIVED BY: <i>Mike & Bilo Mike</i>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Post:	
Sent To: Richard L. Chase, whose wife is Karla	
Chase	
P.O. Box #359	
Artesia, NM 88211-0359	
PS Form 3800, August 2005	

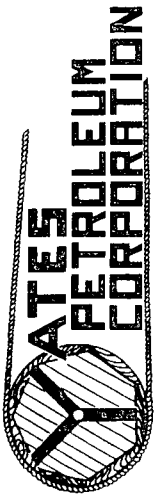
Postmark Here

MAYTE-PROO 11-10-08

See Reverse for Instructions

Certified Mail

- A mailing receipt
- A unique identifier
- A record of the
- Certified Mail 1
- Certified Mail 1
- NO INSURANCE
- For an additional delivery, to obtain receipt (PS Form 3800, August 1990)
- For an additional addressee's acknowledgment "H"
- If a postmark on receipt is not necessary at the post office
- **IMPORTANT: Save**



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7007 0710 0000 3415 9899
7007 0710 0000 3415 9899

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
PERUENO MIKE & BIG MUSE	
Postage \$	MAY 11-10-08 Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total \$	
Send to: Str or City Gerene Dianne Chase Ferguson P.O. Box #693 Artesia, NM 88211-0693	See Reverse for Instructions

PLACE STICKER ABOVE OR ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS FOR POSTAL SERVICE
HANDLING OF RETURNED MAIL

SENDER: COMPLETE THIS SECTION

- 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:

Gerene Dianne Chase Ferguson
P.O. Box #693
Artesia, NM 88211-0693

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent ☒ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 7007 0710 0000 3415 9899
(transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Certified Mail
■ A mailing receipt
■ A unique identifier
■ A record of delivery
Important Reminder
■ Certified Mail is
■ NO INSURANCE
For an additional fee, please
valueables, please
delivery. To obtain a duplicate return receipt (PS Form 3811) for an additional fee, please
For an additional fee, please
■ If a postmark or receipt is not required.
IMPORTANT: See
PS Form 3800, August



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7007 0710 0000 3415 9882
7007 0710 0000 3415 9882

U.S. Postal Service TM	
CERTIFIED MAILTM RECEIPT	
<i>(Domestic Mail Only, No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
REQUIRED MAIL & BUSINESS	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
To	
Sen	Murchison Oil & Gas, Inc
Street or P	P.O. Box #841670
City	Dallas, TX 75284-1670
PS Form 3800, August 2006 See Reverse for Instructions	

MAY 15 - PROD
11-10-08

Postmark
Here

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Addressed to:</p> <p>Murchison Oil & Gas, Inc P.O. Box #841670 Dallas, TX 75284-1670</p>		<p>A. Signature</p> <p><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>2. Article Number (Transfer from service label) 7007 0710 0000 3415 9882</p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>	
<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> G.O.D.</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>			
<p>PS Form 3811, February 2004</p>			

Certified Mail

- A mailing receipt
- A unique identifier
- A record of delivery

Important Reminders

- Certified Mail is
- Certified Mail is
- NO INSURANCE
- For an additional fee, Endorsement (PS Form 3800) is required.
- For an additional fee, Endorsement (PS Form 3800) is required.
- If a postmark on receipt is not needed at the post office.

IMPORTANT: Save

PS Form 3800, August

102595-02-M-1540