ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -





ADMINISTRATIVE APPLICATION CHECKLIST

TH	IS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applica	ation 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 - Statage - 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 [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 o SLC U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Officer
	[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.
	CERTIFICATION: I hereby certify that the information submitted with this application for administrative royal is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this lication 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.
MA med	NTE REVES Mate Reves Production Cience 11-10-0 Signature Signature Title Date
	e-mail Address

Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

(4) P-		***
TT K		· • • • • • • • • • • • • • • • • • • •
	f.	FORM APPROVED '
2000		Budget Bureau No. 1004-013
I Will him		Expires/March 31, 1993
~ W/////	-	

		5. Lease Designation and Serial No.				
SUNDRY NO	TICES AND REPORTS ON WELLS	NM-105211 1/1/ 3				
Do not use this form for proposals to drill or t Use "APPLICATION FO	o deepen or reentry to a different reservoir. R 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		8. Well Name and No.				
Oil Gas		Pequeno Mike BLU Federal #1H				
X Well Well Other						
2. Name of Operator		9. API Well No. 30-015-36390				
Yates Petroleum Corporation 3.Address and Telephone No.		10. Field and Pool, or Exploratory Area				
105 South Fourth Street, Artesia, NM 88	210 (575) 7481471	County Line Tank Wolfcamp				
4. Location of Well (Footage, Sec., T., R., M., or Survey D		11. County or Parish, State				
200' FSL & 200' FWL Section 2-T16S-R29E SV	WSW Unit M SHL	Eddy County, NM				
950' FSL & 330' FWL Section 3-T16S-R29E SV	VSW Unit M BHL					
	X(s) TO INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA				
TYPE OF SUBMISSION	~ TYPE OF ACTION					
Notice of Intent	Abandonment	Change of Plans				
	Recompletion	New Construction				
Subsequent Report	Plugging Back	- Non-Routine Fracturing-				
Final Abandonment Notice	Casing Repair	Water Shut-Off				
	Altering Casing	Conversion to Injection				
	Other Lease Commingle	Dispose Water (Note: Report results of multiple completion on Well				
13 Describe Proposed or Completed Operations (Clearly s	state all pertinent details, and give pertinent dates, including	completion or Recompletion Report and Log Form) g estimated date of starting any proposed work. If well is directionally				
	ertical depths for all markers and zones pertinent to this wor					
Yates Petroleum Corporation respectfully req	uest administrative approval to Lease Commin	ngle the following wells;				
Please see attachment.						
The Battery is located at the Big Miguel BKN S	tate Com #1. Please see attached plat and site far	cility diagram.				
Diversified ownership.						
	quipped with a continuous metering separator loc od of measurement will be used for the Big Migu	cated on the Big Miguel BKN State Com #1H prior to oil uel BKN State Com #1H for allocation purposes.				
Gas measurement.						
Each of these wells will be equipped with alloca	ntion meters for gas prior to commingling located ocated near the Big Miguel BKN State Com #1H	on the Big Miguel BKN State Com #1H. The gas sales location.				
Estimated daily gas production for the Big Migu	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.					
		by extending the economic life of each well. Without rate facilities for each well. This will greatly increase costs				
	t constitute the granting of any right-of-way or co	onstruction rights not granted by the lease instrument. And, tion in your office it we have not already done so.				
14. I hereby certify that the foregoing is true and correct						
Signed I Gto Ross	Title Production Secretary	Date November 10, 2008				
(This space for Federal or State office use)	Title	Data				
Approved by Conditions of approval, if any:	Title	Date				
Title 18 U.S.C. Section 1001, makes it a crime for any per	son 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-1 1625 N. French Drive, Hobbs, NM 88240

<u>District II</u> 1301 W. Grand Ave, Artesia, NM 88210 <u>District III</u> 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.

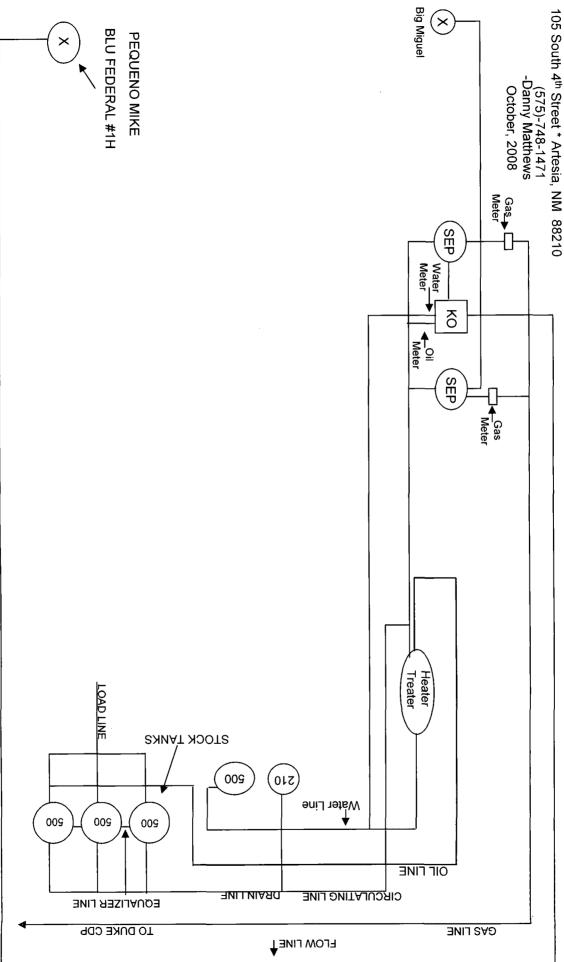
APPLICA OPERATOR NAME:	TION FOR SURFACE)
OPERATOR NAME. OPERATOR ADDRESS:	YATES PETRO		npona		660 A
APPLICATION TYPE:	105 SOUTH	4th STRE	(1 +11	JESIA NM	88210
	Commingling Pool and Lease	Commingling Off-Leas	e Storage and Me	easurement (Only if not Surf	face Comminuled)
_			o Storage and twe	astronom (Omy it not but	ace Commingion)
LEASE TYPE: Fee Is this an Amendment to exist			the annronria	te Order No	
Have the Bureau of Land Man	nagement (BLM) and State La	and office (SLO) been r	otified in writi	ng of the proposed com	mingling
Yes ☐ No					
		OOL COMMINGLI eets with the following			
	Gravities / BTU of	Calculated Gravities	/	Calculated Value of	.
(1) Pool Names and Codes	Non-Commingled Production	,	l	Commingled	Volumes
	rioduction	Production		Production	
(2)	411				
(2) Are any wells producing at(3) Has all interest owners beer	top allowables? UYes UNon notified by certified mail of the		☐Yes ☐	No	
	letering Other (Specify)	proposed comminging:		140.	
	the value of production?	es No If "yes", desc	ribe why comm	ingling should be approved	1
	(R) I F	ASE COMMINGLE	NC		
		eets with the following			
(1) Pool Name and Code.					
(2) Is all production from same					
(3) Has all interest owners been	notified by certified mail of the p	proposed commingling?	Yes [□No	
(4) Measurement type: Me	tering Other (Specify)	subtraction med	thod		
· · · · · · · · · · · · · · · · · · ·	(C) POOL a	nd LEASE COMMI	NGLING		
	Please attach she	eets with the following	information		
(1) Complete Sections A and E	!•				
	(D) OFF FRACE	CTODACE	ACTIDITATION	TOP	
		STORAGE and ME heets with the followin		N I	
(1) Is all production from same		ULTURAL TOTAL	g information		
(2) Include proof of notice to a					
	(E) ADDITIONAL INI			n types)	
		eets with the following	information		
	cility, including legal location.		tten	0	
	s showing all well and facility loo ell Numbers, and API Numbers.	cations. Include lease num	ners if Federal o	r State lands are involved.	
(3) Dease Mantes, Dease and W	en admoore, and mi i numbers.				
I hereby certify that the information	on above is true and complete to	the best of my knowledge :	and belief.		 .
SIGNATURE: MA	· Rom	TITLE: Propue	TUNG C	TAL DATE:	11-10-0
NO. AT CICO. 1	- i icycu	111 LD. 1 1-0 D W	110° C	DATE:	100



BIG MIGUEL BKN ST CON 400' FSL & 220' FWL * Sec 2 - T 16S - R29E/

0' FSL & 220' FWL * Sec 2 – T 16S – R29E * Un Eddy County, NM 30-015-36027

NORTH



DISTRICT ! 1425 M. French Dr., Unbbe, 198 98840 DISTRICT II

State of New Mexico
Energy, Minerals and Natural Resources Department

JAN -9 2008 OCD ARTESDA C-102

State Lease - 4 Copies Fon Lease - 3 Copies

DISTRICT III 1000 Rie Brauss Bd., Astec, MK 87410 DISTRICT: IV 1226 S. St. Presente Br., Stanto Po, 836 87965

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APT Namber Pool Name 30-015-66400 Pool Name Wildcat Wolfcamp						n p	_			
Property C	ade			Projecty Home BIG MIGUEL "BIKN" STATE COM					Voll Number	
02557				Operator Mino YATES PETROLEUM CORP.					/ Sievation / 3721	
					Surface Loc	ation				
UL or lot No.	Section	Tevnebip	Ridge	Lot lda	Post from the	North/South line	Post from the	East/Vest line	County	
M	2	16 S	29 E		785	SOUTH	150	WEST	EDOY	
			Bottom	Hote Loc	cation If Diffe	erent From Sur	face `			
UL or tot No.	Section	Township	Pange	Lot ide	Feet from the	North/South line	Feet from the	East/Fest line	County	
Ρ	2	16 S	29 E		330	SOUTH	330	EAST	EDOY	
Dedicated Acres	Joint o	india (Consolidation	Code On	dër Ka.					
160				l.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	OR A NON-STAN	DARD UNIT HAS B	BEN APPROVED BY TO	RE DIVISION
				OPERATOR CERTIFICATION / Accept sortify that the information consistent have in the last of my insulation and complete in the last of my insulation and the belief, and that the operators of the control of the insulation for proposed bettern held insulation protected to a control of the control of t
			İ	SURVEYOR CERTIFICATION
SUBFACE LOCATION Let - N33"56"44.26" Long - W104"03"13.02" SPC - N.: 707847.936 SPC - E.: 627144.879 (NAD-63)	D.	0	BOTTOM HOLE LOCATION Lat - N32'56'36.80' Lang - W104'02'16.48' SPC- N.: 707410.969 E.: 631964.208 (NAO-83)	I havely cartify that the well toration shown on this plat was platted from flate notes of estate ourselve made by me or under my expersion and that the same is true and correct to the best of my belief. DECEMPER 2007
	Project	Hrea		Date Surfection and State Stat
	Produc	ing Area		
Penet		4640 pr		1
Point	768's/330's	د	330	Certificate No. Gary L. Jones 7977
Point	768' 2 /330'	ما		Continues No. Gary L. Jones 79 RASSIN SUBVEYS

DISTRICT I 1625 N. Prench Dr., Hobbe, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

DISTRICT II

Submit to Appropriate District Office

1301 W. Grand Avenue, Artesia, NM 68210

State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV

1220 S. St. Prancis Dr., Santa Pe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

County fine

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name Pool Code API Number Wildcat Wolfcamp Well Number Property Name **Property Code** PEQUEÑO MIKE "BL<mark>U"</mark> FEDERAL 1H Operator Name Elevation OGRID No. 3718 025575 YATES PETROLEUM CORP.

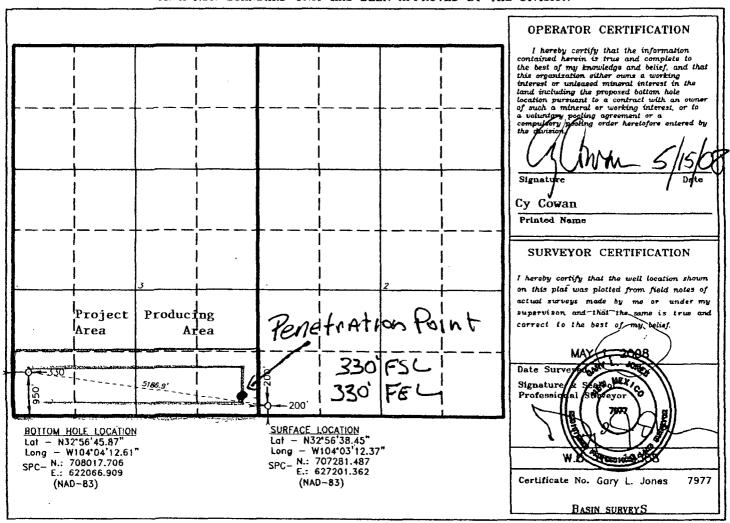
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
М	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
М	3	16 S	29 E	<u> </u>	950	SOUTH	330	WEST	EDDY
Dedicated Acre	Joint o	r Infill Co	onsolidation	Code Or	der No.				<u> </u>
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



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FRANK W. YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

S.P. YATES

JOHN A. YATES

FRANK YATES, JR.

PEYTON YATES

JOHN A. YATES, JR.

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.

FRANK W. YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

S.P. YATES

JOHN A. YATES

FRANK YATES, JR.

PEYTON YATES

JOHN A. YATES, JR.

November 10, 2008

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Federal

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Sincerely

Mayte Reyes

Production Clerk

I hereby approve this application

Company: MYCO Industries, Inc.

FRANK W. YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES

FRANK YATES, JR.

PEYTON YATES

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 Federal

Pequeno Mike BLU Federal #01H Sec 2-T16S-R29E County Line Tank/Wolfcamp(not yet completed) Eddy County, NM Federal Lease #NM-105211 AP1# 30-015-36390 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

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Sincerely,

Mayte Reyes

Production Clerk

Company: ABO Petroleum Corporation.

I hereby approve this application

FRANK W. YATES 1936-1986



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES

FRANK YATES, JR.

PEYTON YATES

JOHN A. YATES, JR.

November 10, 2008

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

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Sincerely

Production Clerk

I hereby approve this application

Company: Yates Petroleum Corporation.

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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 #111. The gas sales point for this commingled production shall be located near the Big Miguel BKN State Com #114 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.

(4)

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,

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

Oil measurement.

API# 30-015-36390

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.

API# 30-015-36027

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.

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Mavte Reves

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

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Dear Interest Owner:

Cadansi

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

rederal	rederat
Pequeno Mike BLU Federal #01H	Big Miguel BKN State Com #01H
Sec 2-T16S-R29E	Sec 2-T16S-R29E
County Line Tank/Wolfcamp(not yet completed)	County Line Tank/Wolfcamp
Eddy County, NM	Eddy County, NM
Federal Lease #NM-105211	State Lease # B-2885

Oil measurement.

API# 30-015-36390

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