

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



2013 MAY - 9 P 2 19

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

672

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 _____

30-025-40573
 Boston BSN State Com #1H
 30-025-41121
 Belfast BSL State Com #14
 Yates Petroleum

[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

5/7/13 _____
 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
RECEIVED 0209
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.

2013 MAY -9 P 2: 19

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 Commingled)

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. Berry; Bone Spring, north 5535
(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 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: *Miriam Morales* TITLE: Production Analyst DATE: 5/7/13

TYPE OR PRINT NAME Miriam Morales TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

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

WELL API NO. 30-025-41121
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-3900 VB-1384
7. Lease Name or Unit Agreement Name Belfast BSL State Com
8. Well Number 1Y
9. OGRID Number 025575
10. Pool name or Wildcat Berry, Bone Spring, north
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3740' GR

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. Fourth Street Artesia, NM 88210

4. Well Location
 Unit Letter M : 2750 feet from the S line and 660 feet from the W line
 Section 6 Township 21S Range 34E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: Surface Lease Commingle OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum respectfully requests administrative approval to Surface Lease Commingle oil and gas on the following wells:

Boston BSN State Com #1H
 Berry; Bone Spring, north
 Sec. 6-T21S-R34E
 API #30-025-40573
 St. lease #VB-1385, VO-3900, & VB-1870
 Lea County, NM

Belfast BSL State Com #1Y
 Berry; Bone Spring, north
 Sec. 6-T21S-R34E
 API #30-025-41121
 St. lease #VO-3900 & VB-1384
 Lea County, NM

The battery is located at the Boston BSN State Com #1H. Please see attached plats and site security diagram.
 The ownership is diversified. All owners have been notified and copies of certified receipts and letters are attached.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Boston #1H. Total sales/production will be allocated back to each individual well using the metered (daily well test) 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.

Estimated daily oil production for each of the wells is 400 bbls with a gravity of 39.8.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM readings.
 The Agave's CDP will be located at the Boston #1H.

Estimated daily gas production for the Boston #1H is 600 MCF and for the Belfast #1Y is 300MCF with 1401 BTU.

The purpose of the Surface Lease Commingle is in the interest of conservation, economic feasibility, 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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 5/7/13
 Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
Phone (575) 746-1263 Fax: (575) 746-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 88210
Phone (505) 334-6178 Fax: (505) 334-6179

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3460 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

RECEIVED
MAY 15 2012

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-40573	Pool Code 5535	Pool Name Berry 2nd Bone Spring, North
Property Code 39218	Property Name BOSTON BSN STATE COM	
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	
		Well Number 1H
		Elevation 3741'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 13	6	21 S	34 E		2680	SOUTH	660	WEST	LEA

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
LOT 2	7	21 S	34 E		2310	NORTH	660	WEST	LEA

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

SURFACE LOCATION
Lat - N 32°30'28.63"
Long - W 103°30'55.52"
NMSPC- N 549490.916
E 793476.185
(NAD-83)

Project Area →

Producing Zone →

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°29'39.26"
Long - W 103°30'55.52"
NMSPC- N 544501.987
E 793514.496
(NAD-83)

OPERATOR CERTIFICATION
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 or has a right to drill this well at this 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.

[Signature] 5/14/2012
Signature Date
Travis Hahn
Printed Name
thahn@yatespetroleum.com
Email Address

SURVEYOR CERTIFICATION
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.

Date Surveyed **MAY 14 2012**
Signature *[Signature]* Seal of Professional Surveyor
Professional License No. **7977**
Certificate No. **Gary L. Jones 7977**
BASIN SURVEYS 26594

MAY 16 2012

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 165700

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41121	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39273	5. Property Name BELFAST BSL STATE COM	
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3740

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	6	21S	34E	13	2750	S	660	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	6	21S	34E	5	330	N	660	W	LEA

12. Dedicated Acres 151.83	13. Joint or Infill	14. Consolidation Code	15. 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

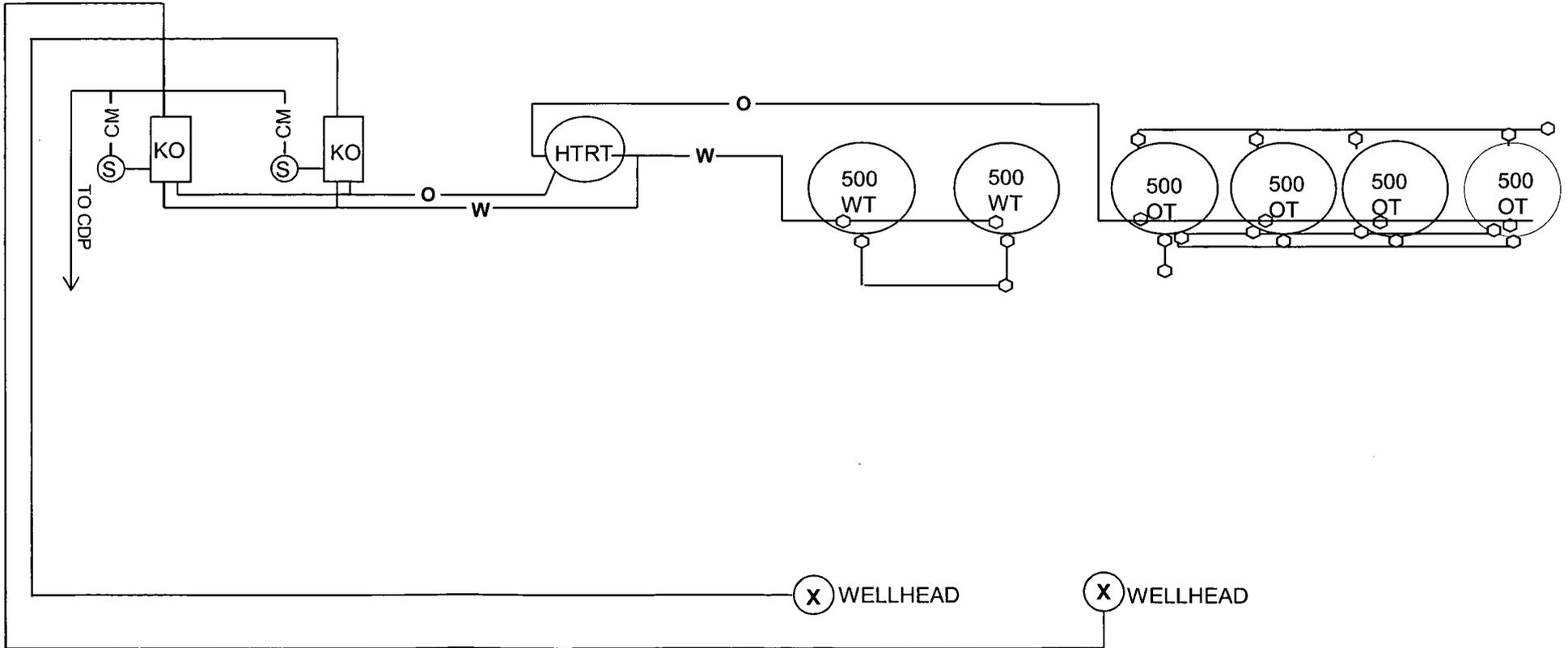
	OPERATOR CERTIFICATION
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this 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.</i></p> <p>E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 4/17/2013</p>
	SURVEYOR CERTIFICATION
	<p><i>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.</i></p> <p>Surveyed By: Gary Jones Date of Survey: 4/20/2013 Certificate Number: 7977</p>



BOSTON / BELFAST BATTERY

2680' FSL & 660' FWL * Sec 6- T21S - R34E * Unit L
Lea County, NM

105 South 4th Street * Artesia, NM 88210
(575)-748-1471
-Joe Palma
April, 2013



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

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

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

JOHN D. PERINI
EXECUTIVE V.P. OF MONETIZATION
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

May 7, 2013

RE: Surface/Lease Commingle
Belfast BSL State Com #1Y
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface/Lease Commingle oil & gas on the following wells:

Boston BSN State Com #1H
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-40573
St. lease #VB-1385, VO-3900 & VB-1870
Lea County, NM

Belfast BSL State Com #1Y
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-41121
St. lease #VO-3900 & VB-1384
Lea County, NM

The ownership is diversified.
The battery is located at the Boston BSN State Com #1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Boston #1H. 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.

Estimated daily oil production for each of the wells is 400 bbls with a gravity of 39.8.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP will be located at the Boston #1H

Estimated daily gas production for the Boston #1H is 600 MCF and for the Belfast #1Y is 300 MCF with 1401 BTU.

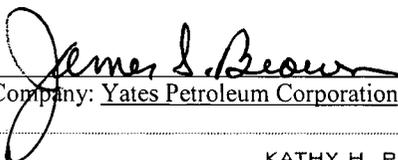
The purpose of the Surface/Lease Commingle is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

I hereby approve this application


Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

JOHN A. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES JR.
PRESIDENT
JOHN D. PERINI
EXECUTIVE V.P. OF MONETIZATION
CHIEF FINANCIAL OFFICER
JAMES S. BROWN
CHIEF OPERATING OFFICER

May 7, 2013

RE: Surface/Lease Commingle
Belfast BSL State Com #1Y
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface/Lease Commingle oil & gas on the following wells:

Boston BSN State Com #1H
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-40573
St. lease #VB-1385, VO-3900 & VB-1870
Lea County, NM

Belfast BSL State Com #1Y
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-41121
St. lease #VO-3900 & VB-1384
Lea County, NM

The ownership is diversified.
The battery is located at the Boston BSN State Com #1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Boston #1H. 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.

Estimated daily oil production for each of the wells is 400 bbls with a gravity of 39.8.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP will be located at the Boston #1H

Estimated daily gas production for the Boston #1H is 600 MCF and for the Belfast #1Y is 300 MCF with 1401 BTU.

The purpose of the Surface/Lease Commingle is in the interest of conservation, economic feasibility, 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

I hereby approve this application

Company: Abo Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

JOHN D. PERINI
EXECUTIVE V.P. OF MONETIZATION
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

May 7, 2013

RE: Surface/Lease Commingle
Belfast BSL State Com #1Y
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface/Lease Commingle oil & gas on the following wells:

Boston BSN State Com #1H
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-40573
St. lease #VB-1385, VO-3900 & VB-1870
Lea County, NM

Belfast BSL State Com #1Y
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-41121
St. lease #VO-3900 & VB-1384
Lea County, NM

The ownership is diversified.
The battery is located at the Boston BSN State Com #1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Boston #1H. 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.

Estimated daily oil production for each of the wells is 400 bbls with a gravity of 39.8.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP will be located at the Boston #1H

Estimated daily gas production for the Boston #1H is 600 MCF and for the Belfast #1Y is 300 MCF with 1401 BTU.

The purpose of the Surface/Lease Commingle is in the interest of conservation, economic feasibility, 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

I hereby approve this application


Company: Myco Industries, Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

JOHN D. PERINI
EXECUTIVE V.P. OF MONETIZATION
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

May 7, 2013

RE: Surface/Lease Commingle
Belfast BSL State Com #1Y
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting administrative approval from the Oil Conservation Division and the State Land Office to Surface/Lease Commingle oil & gas on the following wells:

Boston BSN State Com #1H
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-40573
St. lease #VB-1385, VO-3900 & VB-1870
Lea County, NM

Belfast BSL State Com #1Y
Berry; Bone Spring, north
Sec. 6-T21S-R34E
API #30-025-41121
St. lease #VO-3900 & VB-1384
Lea County, NM

The ownership is diversified.
The battery is located at the Boston BSN State Com #1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Boston #1H. 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.

Estimated daily oil production for each of the wells is 400 bbls with a gravity of 39.8.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP will be located at the Boston #1H

Estimated daily gas production for the Boston #1H is 600 MCF and for the Belfast #1Y is 300 MCF with 1401 BTU.

The purpose of the Surface/Lease Commingle is in the interest of conservation, economic feasibility, 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

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

Sincerely,

A handwritten signature in cursive script, appearing to read 'Miriam Morales'.

Miriam Morales
Production Analyst

CERTIFIED MAIL™



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

7012 3460 0001 7460 3604
7012 3460 0001 7460 3604

ADDRESS SERVICE REQUESTED

Sent to **OXY Y-1 Company**
 Street Apt. No. or PO Box No. **P.O. Box 841803**
 City, State, ZIP+4 **Dallas TX 75284-1803**
 PS Form 3806, August 2005 See Reverse for Instructions

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$

Postmark Here

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com®
BALLETIC IAS/IB UNRECORDED

Company
841803
X 75284-1803

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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:

OXY-Y-1 Company
P.O. Box 841803
Dallas, TX 75284-1803

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
 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

2. Article Number (Transfer from sender) **7012 3460 0001 7460 3604**

CERTIFIED MAIL™



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

ADDRESS SERVICE REQUESTED

7012 3460 0001 7460 3598

7012 3460 0001 7460 3598

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

Balfanz IV GIB A 5431 Kincaid

Postage \$ _____
Certified Fee _____
Return Receipt Fee (Endorsement Required) _____
Restricted Delivery Fee (Endorsement Required) _____
Total Postage & Fees \$ _____

Postmark Here

Sent To _____
Street, Apt. No., or PO Box No. _____
City, State, ZIP+4 _____
DEVON ENERGY PRODUCTION CO. LLP
P O BOX 842485
DALLAS, TX 75284-2485

PS Form 3800, August 2006 See Reverse for Instructions

DEVON ENERGY PRODUCTION
P O BOX 842485
DALLAS, TX 75284-2485

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER - COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input type="checkbox"/> Agent X <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</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>1. Article Addressed to:</p> <p>DEVON ENERGY PRODUCTION CO. LLP P O BOX 842485 DALLAS, TX 75284-2485</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from s)</p> <p>7012 3460 0001 7460 3598</p>	

illegible text at the bottom of the page

CERTIFIED MAIL™



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

7012 3460 0001 7460 3581
7012 3460 0001 7460 3581

ADDRESS SERVICE REQUESTED

Sent To
Street, Apt. No.,
or P.O. Box No. P O BOX 1567
City, State, ZIP+4[®] GRAHAM, TX 76450-1567
PS Form 3800, August 2006 See Reverse for Instructions

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

For delivery information visit our website at www.usps.com®
BENEFIT OCT 18 5 13 PM '04

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

THE ALLAR COMPANY
P O BOX 1567
GRAHAM, TX 76450-1567

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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 <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee X	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
THE ALLAR COMPANY P O BOX 1567 GRAHAM, TX 76450-1567		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number		3. Service Type	
(Transfer from s: 7012 3460 0001 7460 3581)		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

CERTIFIED MAIL™



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

ADDRESS SERVICE REQUESTED

7012 3460 0001 7460 3574
7012 3460 0001 7460 3574

Sent
Street: GMT EXPLORATION COMPANY
or PO: 20333 STATE HIGHWAY 249 STE 460
City: HOUSTON, TX 77070-2613
PS Form 3800, August 2006 See Reverse for Instructions

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

For delivery information visit our website at www.usps.com®
US Postal Service™ RECEIPT
CERTIFIED MAIL™
Domestic Mail Only, No Insurance Coverage Provided
BALFOUR BEATTY
20333 STATE HWY 249 STE 460
HOUSTON TX 77070-2613
POB

...ORATION COMPANY
...TE HIGHWAY 249 STE 460
...TX 77070-2613

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</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>1. Article Addressed to:</p> <p>GMT EXPLORATION COMPANY 20333 STATE HIGHWAY 249 STE 460 HOUSTON, TX 77070-2613</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from se)</p> <p>7012 3460 0001 7460 3574</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

