

OCD-ARTESIA

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM0557142

6. If Indian, Allottee or Tribe Name.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
Multiple--See Attached ✓ *2nd PR*

2. Name of Operator **YATES PETROLEUM CORPORATION** Contact: **MIRIAM MORALES**  
Mail: **mmorales@yatespetroleum.com**

9. API Well No.  
Multiple--See Attached

3a. Address  
**105 SOUTH FOURTH STREET  
ARTESIA, NM 88210**

3b. Phone No. (include area code)  
Ph: **575-748-4200**  
Fx: **575-748-4664**

10. Field and Pool, or Exploratory  
**N SEVEN RIVERS-GLOR-YESO  
SEVEN RIVERS**

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

11. County or Parish, and State  
**EDDY COUNTY, NM**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.)

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

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

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

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

Accepted for record  
NMOCDC-tes  
4-3-14  
**RECEIVED**  
APR 03 2014  
NMOCDC ARTESIA

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

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

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

Name (Printed/Typed) **MIRIAM MORALES** Title **PRODUCTION ANALYST**

Signature (Electronic Submission) \_\_\_\_\_ Date **02/04/2014**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By **ACCEPTED** DUNCAN WHITLOCK  
Title **EPS** Date **04/01/2014**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **Carlsbad**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

**Wells/Facilities, continued**

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

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

**Federal Lease #NM-0557142**

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

**Oil Measurement**

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

**Gas Measurement**

Each of the wells will have its own meter.

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

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

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Application Acronyms:**

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

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

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

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

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

Miriam Morales \_\_\_\_\_  
 Print or Type Name

*Miriam Morales* \_\_\_\_\_  
 Signature

Production Analyst \_\_\_\_\_  
 Title

2/14/14 \_\_\_\_\_  
 Date

mmorales@yatespetroleum.com \_\_\_\_\_  
 e-mail Address

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

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

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Yates Petroleum Corporation  
OPERATOR ADDRESS: 105 South Fourth St. Artesia, NM 88210

APPLICATION TYPE:  
 Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface 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: N. Seven Rivers; Glorieta-Yeso #97565  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please 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: 3/4/14  
TYPE OR PRINT NAME: Miriam Morales TELEPHONE NO.: (575) 748-1471  
E-MAIL ADDRESS: mmorales@yatespetroleum.com

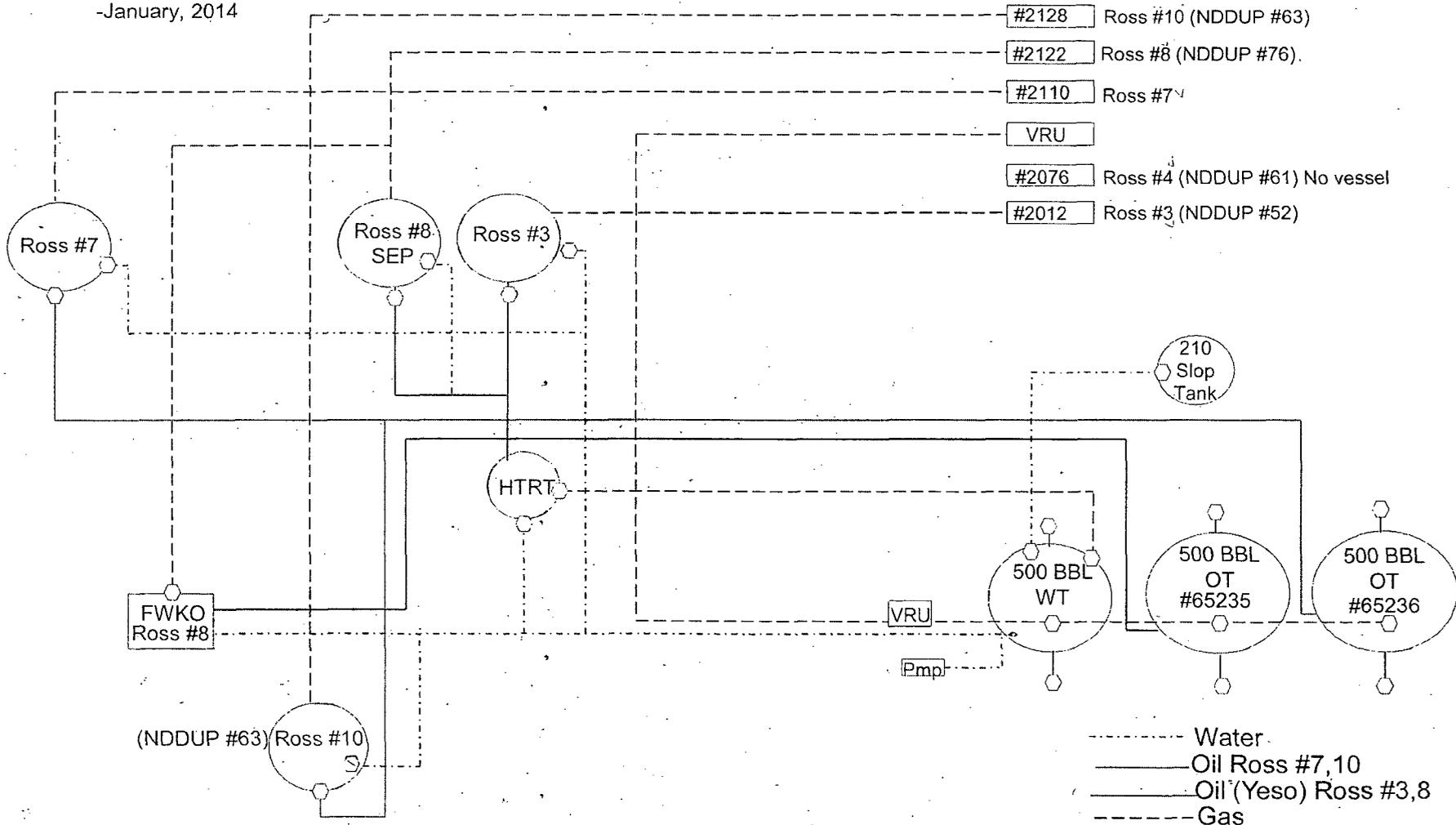


105 South 4<sup>th</sup> Street \* Artesia, NM 88210  
(575)-748-1471

-Michael Farmer-Foreman  
-January, 2014

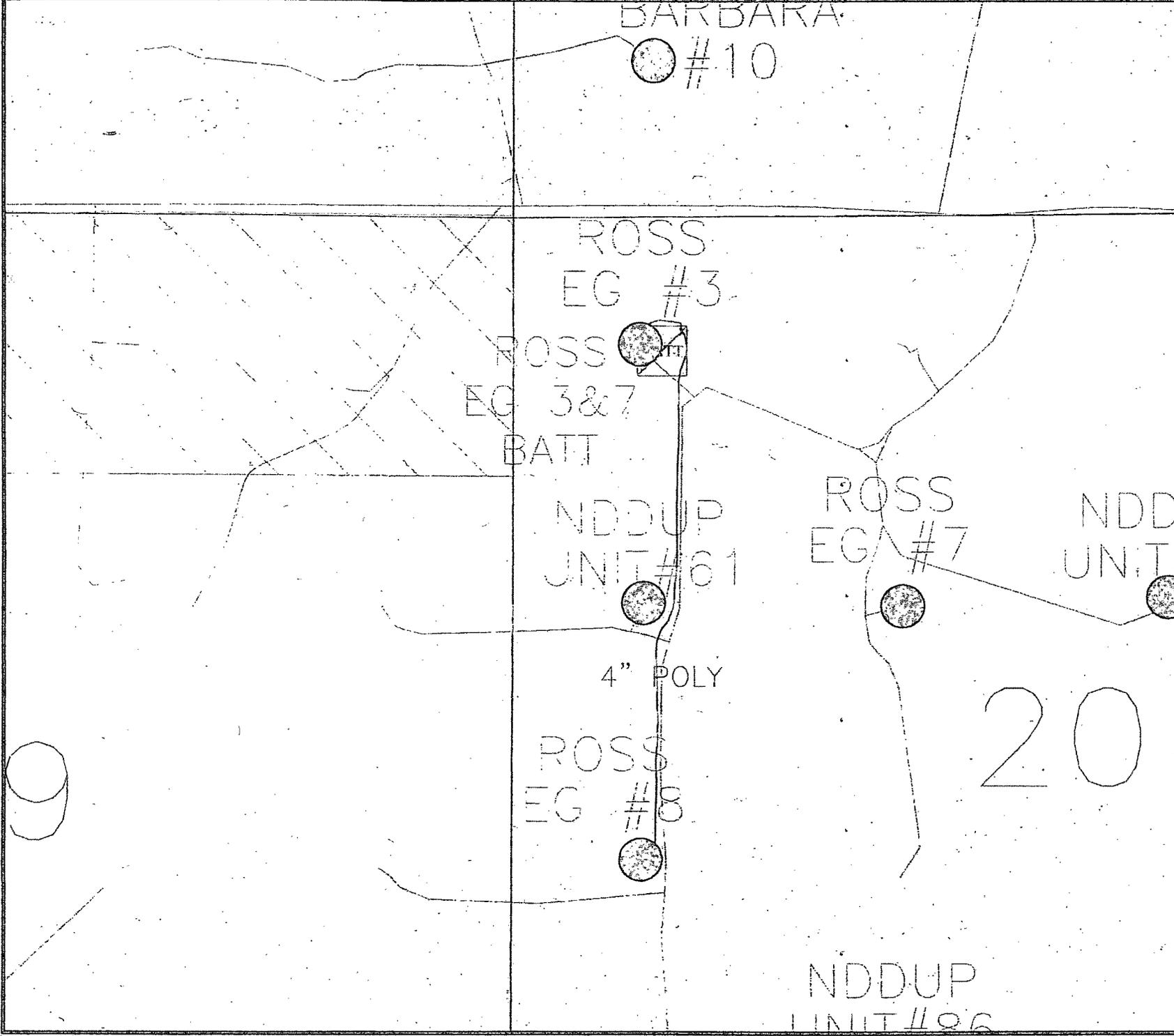
# ROSS EG FEDERAL BATTERY

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



- #2128 Ross #10 (NDDUP #63)
- #2122 Ross #8 (NDDUP #76)
- #2110 Ross #7
- VRU
- #2076 Ross #4 (NDDUP #61) No vessel
- #2012 Ross #3 (NDDUP #52)

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




**YATES  
PETROLEUM  
CORPORATION**

105 SOUTH FOURTH (ST/5 7-10-1473)  
ARTESIA, NEW MEXICO 88210



**LEGEND**

- OIL WELL PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE	
T19S R25E	
SECTION	FOOTAGE
20	

-  NM STATE
-  US BUREAU OF LAND MANAGEMENT

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

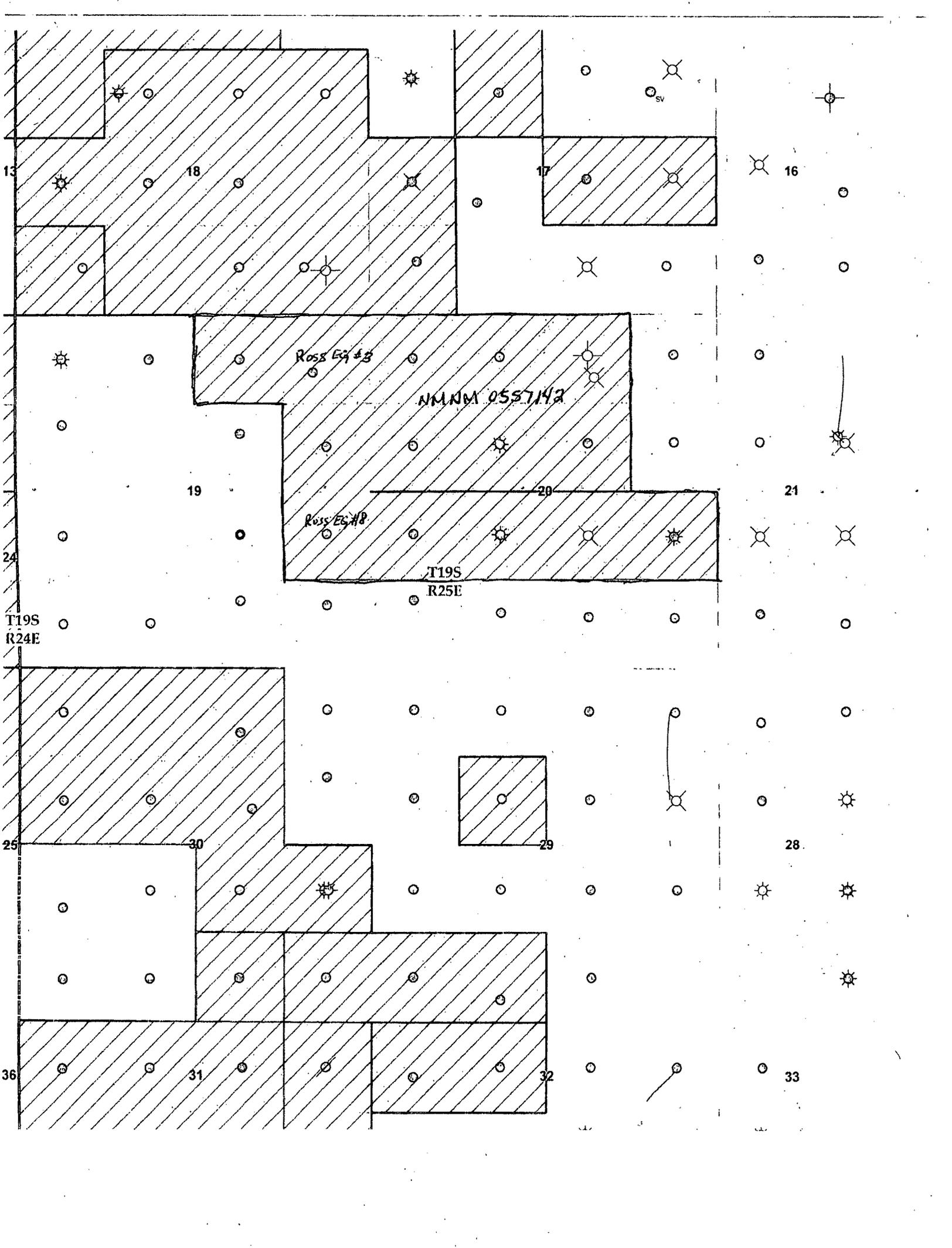
TITLE:

THIS MAP HAS BEEN CAREFULLY COMPILED AND PRINTED BY YATES PETROLEUM CORPORATION FROM AVAILABLE INFORMATION. YATES PETROLEUM CORPORATION DOES NOT GUARANTEE THE ACCURACY OF THIS MAP OR INFORMATION DELINEATED THEREON. NOR DOES YATES PETROLEUM CORPORATION ASSUME RESPONSIBILITY FOR ANY RELIANCE THEREON. RECIPIENT AGREES NOT TO COPY, DISTRIBUTE OR DIGITIZE THIS MAP WITHOUT EXPRESS CONSENT FROM YATES PETROLEUM CORPORATION OR ITS AFFILIATES.

9

20

NDDUP  
UNIT #86



MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES  
CHAIRMAN EMERITUS

JOHN A. YATES JR.  
CHAIRMAN OF THE BOARD  
PRESIDENT

JOHN D. PERINI  
EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

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

Dear Interest Owner,

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

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

**Federal Lease #NM-0557142**

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

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**Gas Measurement**

Each well will have its own meter.

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

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

I hereby approve this application

Company: Abo Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985  
FRANK W. YATES  
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RE: Surface lease commingle oil only  
Ross EG Fed #3 & #8  
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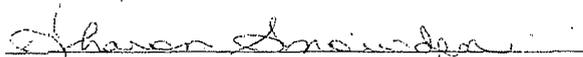
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I hereby approve this application

  
Company: Myco Industries Inc.

KATHY H. PORTER  
SECRETARY

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TREASURER

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Company: Sharbro Energy, LLC

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

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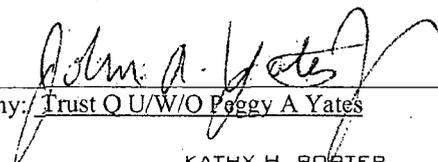
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Company: Trust Q U/W/O Peggy A Yates

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SECRETARY

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TREASURER

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**Federal Lease #NM-0557142**

**Well name**

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

**Pool #97565**

Glorieta-Yeso

**BOPD**

27

**Gravity**

38

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

Glorieta-Yeso

4

36

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**Gas Measurement**

Each well will have its own meter.

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

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

I hereby approve this application

Company: John A Yates

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  
www.yatespetroleum.com

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

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

Dear Interest Owner,

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

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

**Federal Lease #NM-0557142**

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

**Oil Measurement**

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

**Gas Measurement**

Each well will have its own meter.

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

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

I hereby approve this application

\_\_\_\_\_  
Company: Yates Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

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

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

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

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

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

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

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

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

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

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

STEPHEN E LAUCK 7012 3460 0001 7460 0542  
P O BOX 2638  
DANVILLE CA 94526

SALLY RODGERS COLL 7012 3460 0001 7460 0559  
152 B ARROYO HONDO RD  
SANTA FE NM 87508

MARSHALL & WINSTON INC 7012 3460 0001 7460 0566  
P O BOX 50880  
MIDLAND TX 79710-0880

JON F COLL 7012 3460 0001 7460 0573  
P O BOX 1818  
ROSWELL NM 88202-1818

KAREN V & WILLIAM H MARTIN ENERGY, LTD 7012 3460 0001 7460 0580  
400 N MARIENFELD SUITE 100  
MIDLAND TX 79701-4310

JON F COLL II 7012 3460 0001 7460 0597  
7335 WALLA WALLA DR  
SAN ANTONIO TX 78250-5242

PANHANDLE OIL & GAS INC 7012 3460 0001 7460 0603  
5400 N GRAND BLVD SUITE 300  
OKLAHOMA CITY OK 73112-5672

MAX W COLL II 7012 3460 0001 7460 0610  
83 LA BARBARIA TRAIL  
SANTA FE NM 87505-9008

MAX W COLL III 7012 3460 001 7460 0627  
7625 EL CENTRO BLVD #2  
LAS CRUCES NM 88012-9323

**LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS**

YATES INDUSTRIES LLC

7012 3460 0001 7460 0634

P O BOX 1091

ARTESIA NM 88211-1091

OXY Y-1 COMPANY

7012 3460 0001 7460 0641

P O BOX 841803

DALLAS TX 75284-1803

OIL CONSERVATION DIVISION

7012 3460 0001 7460 0658

1220 S ST. FRANCIS DRIVE

SANTA FE NM 87505