

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

HOBBS OCD

## 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.*

SEP 21 2015

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

5. Lease Serial No.  
NMNM0557142
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No.  
NDDUP UNIT 61
9. API Well No.  
30-015-26770-00-S1
10. Field and Pool, or Exploratory  
N SEVEN RIVERS-GLOR-YESO
11. County or Parish, and State  
EDDY COUNTY, NM

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 20 T19S R25E SWNW 1980FNL 660FWL

## 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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 recompleat 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 recompleat 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 of application due to diversified ownership (WI/OR) All wells on same lease-BLM notification only.

Yates Petroleum respectfully requests approval to amend CTB-696 oil production only by adding the Ross EG Federal#4 to the application.

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

All owners will be notified (see attach).

Please see site facility diagram and all other documentation attach.

Accepted for record  
CRO NMOC 9/24/15

NM OIL CONSERVATION  
ARTESIA DISTRICT

SEP 24 2015

RECEIVED

*All wells on THE SAME LEASE. Approved as per NMOC Requirements for diverse ownership per*

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

Electronic Submission #251992 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by CATHY QUEEN on 06/12/2015 (15CQ0270SE)

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 07/08/2014

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

*J. D. W. H. H. H. H.*

Title

LPET

Date

9/15/15

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

CFO

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.

**Continuation of Ross EG #4 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	8	38
Ross EG Federal #8 Sec. 20-T19S-R25E, NWSW API #30-015-26948 Eddy County, NM	Glorieta-Yeso	3	36
Ross EG Federal #4 Sec. 20-T19S-R25E, SWNW API #30-015-26770 Eddy County, NM	Glorieta-Yeso	17	38.2

**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.



105 South 4th Street \* Artesia, NM 88210  
(505) 748-1471

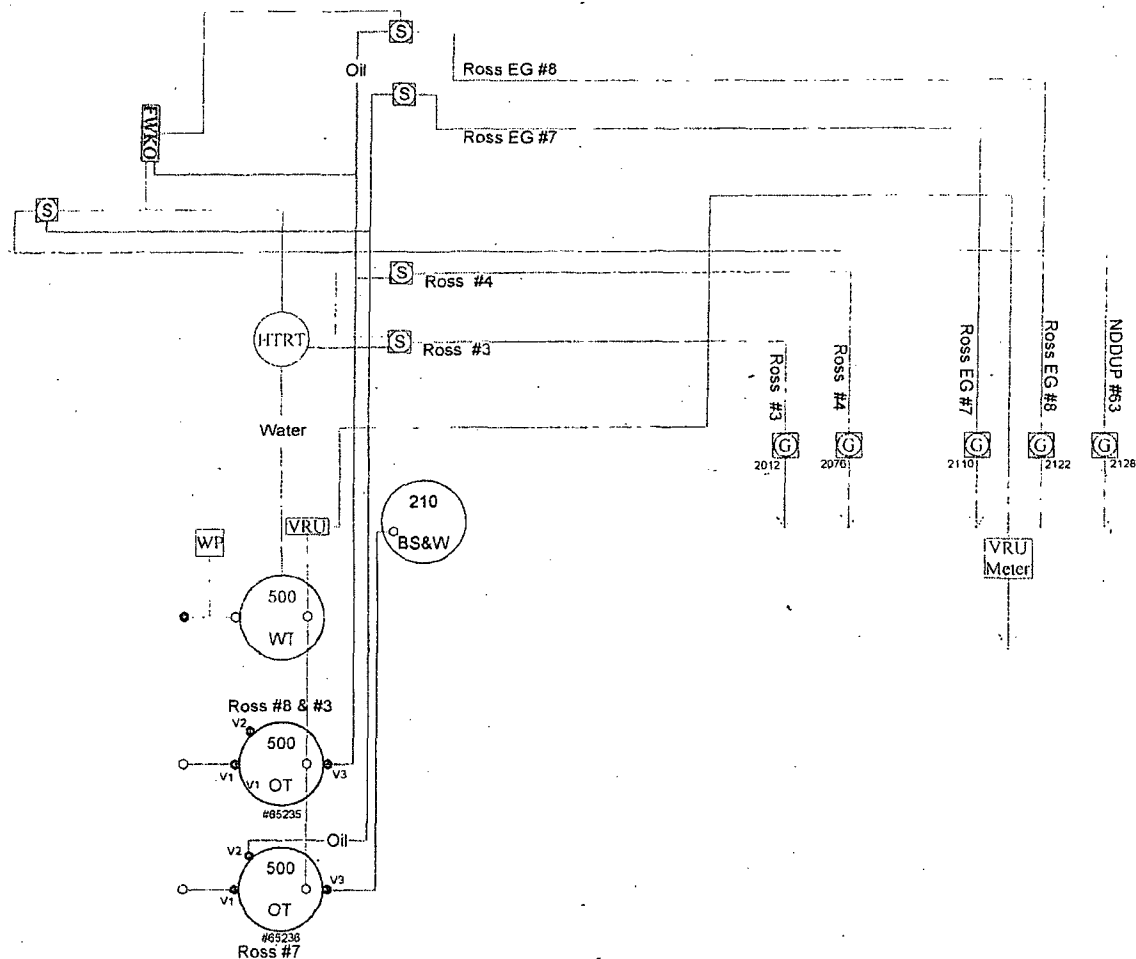
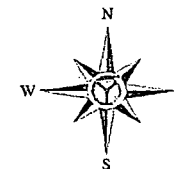
-Michael Farmer  
-May, 2014

# Ross EG Federal Battery

660' FNL & 660' FWL \* Sec 20 - T19S-R25E\* Unit D

Eddy County, NM

API - 3001525903



Sales: From Tank Gauge to Truck Tank Tank  
Valve Position for sales Tank #65235

(Ross EG #8) or #65236 (Ross EG #7)

1. V1 = open

V3 = Sealed Closed

Valve Position-Production phase Tank #65235  
(Ross EG #8) or 65236 (Ross EG #7)

1. V1 = Sealed closed

V3 = Sealed closed

2. V2 = open

● = Valve Closed  
○ = Valve Opened

VRU = Vapor Recovery Unit

WP = Water Pump

G = Gas Meter

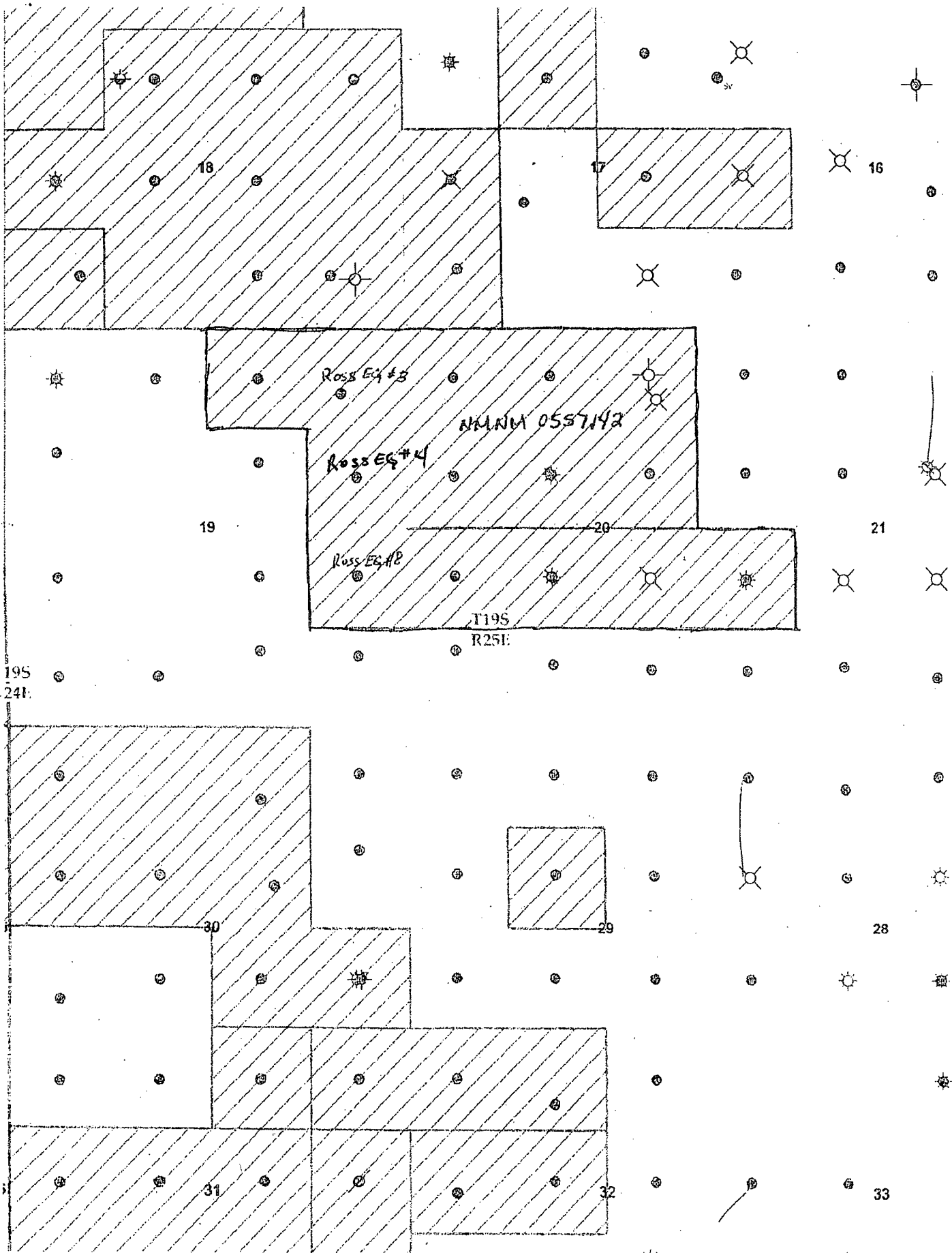
FWKO = Free Water Knock Out

S = Separator

HTRT = Heater/Treater

210  
BS&W = Bottom Sediment & Water (Slop Tank)

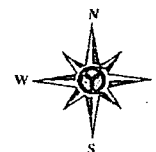
This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan  
which is on file at 105 South 4th Street, Artesia, NM



19S  
24E



105 SOUTH FOURTH (575) 748-4471  
ARTESIA, NEW MEXICO 88210



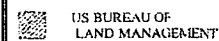
## LEGEND

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

TOWNSHIP AND RANGE  
T19S R25E

SECTION	FOOTAGE

NM STATE



DRAWN BY: JAH  
DATE DRAWN: 07-01-14  
COUNTY: EDDY  
STATE: NEW MEXICO  
SHEET NUMBER: 1 OF 1  
SCALE: 1" = 1/8 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.

4" POLY

4" F

4" POLY

9

20

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: Amend Surface lease commingle oil only  
Ross EG Fed # 4  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding the Ross EG Federal #4.

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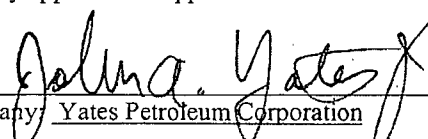
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If you have any questions, please call me at (575) 748-4200 (direct line)

I hereby approve this application

  
Company: Yates Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
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CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

RE: Amend Surface lease commingle oil only  
Ross EG Fed #4  
Eddy County, New Mexico

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I hereby approve this application

Company: Abo Petroleum Corporation

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SECRETARY

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CHIEF OPERATING OFFICER

RE: Amend Surface lease commingle oil only  
Ross EG Fed # 4  
Eddy County, New Mexico

Dear Interest Owner,

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

I hereby approve this application

  
Company: Myco Industries, Inc

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER



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1912-1985

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Ross EG Fed # 4  
Eddy County, New Mexico

Dear Interest Owner,

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I hereby approve this application

Company: Sharbro Energy, LLC

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

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JOHN A. YATES  
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RE: Amend Surface lease commingle oil only  
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Eddy County, New Mexico

Dear Interest Owner,

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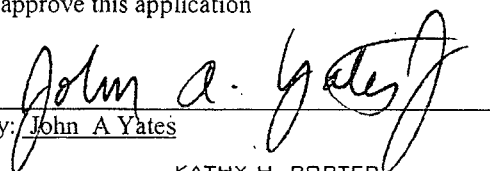
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Company: John A Yates

KATHY H. PORTER  
SECRETARY

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RE: Amend Surface lease commingle oil only  
Ross EG Fed # 4  
Eddy County, New Mexico

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I hereby approve this application

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

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985  
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JOHN D. PERINI  
EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER  
JAMES S. BROWN  
CHIEF OPERATING OFFICER

July 8, 2014

RE: Surface lease commingle oil only  
Ross EG Fed #4  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division to amend CTB-696 oil only by adding the Ross EG Federal #4.

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

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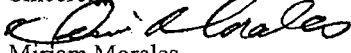
Each well will have its own meter.

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.

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

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

Sincerely,

  
Miriam Morales  
Production Analyst

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

ROBERT B BUNN  
REV. LIVING TRUST  
2493 MAKIKI HEIGHTS DR  
HONOLULU HI 96822-2547

7013 2250 0000 5201 2105

MELANIE COLL DETEMPE  
5653 TOBIAS AVE  
VAN NUYS CA 91411

7013 2250 0000 5201 2112

FRANCES B BUNN  
REV. LIVING TRUST  
2493 MAKIKI HEIGHTS DR  
HONOLULU HI 96822-2547

7013 2250 0000 5201 2129

JUDSON PROPERTIES, LTD  
P O BOX 3340  
MIDLAND TX 79702

7013 2250 0000 5201 2136

CLARKE C COLL  
P O BOX 1818  
ROSWELL NM 88202-1818

7013 2250 0000 5201 2143

KOCHERGEN ENTERPRISES  
8163 W MCKINLEY AVE  
FRESNO CA 93722

7013 2250 0000 5201 2150

ERIC J COLL  
P O BOX 1818  
ROSWELL NM 88202-1818

7013 2250 0000 5201 2167

LAJ CORPORATION  
P O BOX 10626  
MIDLAND TX 79702-7626

7013 2250 0000 5201 2174

CHARLES H COLL  
P O BOX 1818  
ROSWELL NM 88202-1818

7013 2250 0000 5201 2181

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

STEPHEN E LAUCK P O BOX 2638 DANVILLE CA 94526	7013 2250 0000 5201 2198
SALLY RODGERS COLL 152 B ARROYO HONDO RD SANTA FE NM 87508	7013 2250 0000 5201 2204
MARSHALL & WINSTON INC P O BOX 50880 MIDLAND TX 79710-0880	7013 2250 0000 5201 2211
JON F COLL P O BOX 1818 ROSWELL NM 88202-1818	7013 2250 0000 5201 2228
KAREN V & WILLIAM H MARTIN ENERGY, LTD 400 N MARIENFELD SUITE 100 MIDLAND TX 79701-4310	7013 2250 0000 5201 2235
JON F COLL II 7335 WALLA WALLA DR SAN ANTONIO TX 78250-5242	7013 2250 0000 5201 2242
PANHANDLE OIL & GAS INC 5400 N GRAND BLVD SUITE 300 OKLAHOMA CITY OK 73112-5672	7013 2250 0000 5201 2259
MAX W COLL II 83 LA BARBARIA TRAIL SANTA FE NM 87505-9008	7013 2250 0000 5201 2266
MAX W COLL III 7625 EL CENTRO BLVD #2 LAS CRUCES NM 88012-9323	7013 2250 0000 5201 2273

**LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS**

YATES INDUSTRIES LLC  
P O BOX 1091  
ARTESIA NM 88211-1091

7013 2250 0000 5201 2280

OXY Y-1 COMPANY  
P O BOX 841803  
DALLAS TX 75284-1803

7013 2250 0000 5201 2297

OIL CONSERVATION DIVISION  
1220 S ST. FRANCIS DRIVE  
SANTA FE NM 87505

7013 2250 0000 5201 2303

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

7/8/14  
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. CTB-696

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: 2/18/14

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com