

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

HOBBS OCD

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** SEP 21 2015  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

5. Lease Serial No.  
Multiple--See Attached
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.  
Multiple--See Attached
8. Well Name and No.  
Multiple--See Attached
9. API Well No.  
Multiple--See Attached
10. Field and Pool, or Exploratory  
PARKWAY  
WILDCAT
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)  
Multiple--See Attached

**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<br>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 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.)

Yates Petroleum respectfully requests approval to Surface lease (CA)commingle the Nucleus BGN Fed #1H and the Focus BDB Fed #1H oil production only.

The commingle production will be measured and sold at the Nucleus BGN Fed. #1H battery located at SWNW, Sec. 31-T19S-R30E.

Diversified ownership(WI/OR). All owners will be notified (see attach).

Please see site facility diagram and all other documentation attach.

Royalty values will not be affected by this commingle.

Accepted for record  
UD NMOC 9/24/15  
NM OIL CONSERVATION  
ARTESIA DISTRICT

SEP 24 2015

RECEIVED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Electronic Submission #253186 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH HAM on 11/24/2014 (15DMH0122SE)

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 07/15/2014

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

Approved By DUNCAN WHITLOCK

Title TECHNICAL LPET

Date 09/15/2015

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #253186 that would not fit on the form**

**5. Lease Serial No., continued**

NMNM85909  
NMNM89049

**Wells/Facilities, continued**

| <b>Agreement</b> | <b>Lease</b> | <b>Well/Fac Name, Number</b> | <b>API Number</b>  | <b>Location</b>                       |
|------------------|--------------|------------------------------|--------------------|---------------------------------------|
| NMNM85909        | NMNM85909    | FOCUS BDB FEDERAL 1H         | 30-015-39421-00-S1 | Sec 31 T19S R30E NWNW 560FNL 330FWL   |
| NMNM89049        | NMNM89049    | NUCLEUS BGN FEDERAL 1H       | 30-015-39241-00-S1 | Sec 31 T19S R30E Lot 2 1750FNL 330FWL |

**Continuation of Focus BDB #1H surface lease (CA) Commingle**

**Federal Lease #NM-85909**

| <u>Well name</u>   | <u>Pool #49622</u> | <u>BOPD</u> | <u>Gravity</u> | <u>MCFPD</u> | <u>BTU</u> |
|--|--------------------|-------------|----------------|--------------|------------|
| Focus BDB Federal #1H<br>Sec. 10-T19S-R25E, NWNW<br>API #30-015-39421<br>Eddy County, NM | Parkway; Bone S    | *150        | *42            | *200         | *1209      |

**CA #unavailable at this time**

|  |                 |      |     |      |       |
|--|-----------------|------|-----|------|-------|
| Nucleus BGN Federal Com #1H<br>Sec. 31-T19S-R30E, SWNW<br>API #30-015-39241<br>Eddy County, NM | Parkway; Bone S | *150 | *42 | *200 | *1209 |
|--|-----------------|------|-----|------|-------|

\*This is an estimated production, updated information will be provided upon well completion with updated diagram.

**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 Nucleus BGN Fed #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.

**Gas Measurement**

Each well will have its own sales meter and no commingling will take place.

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  
(575) 748-1471

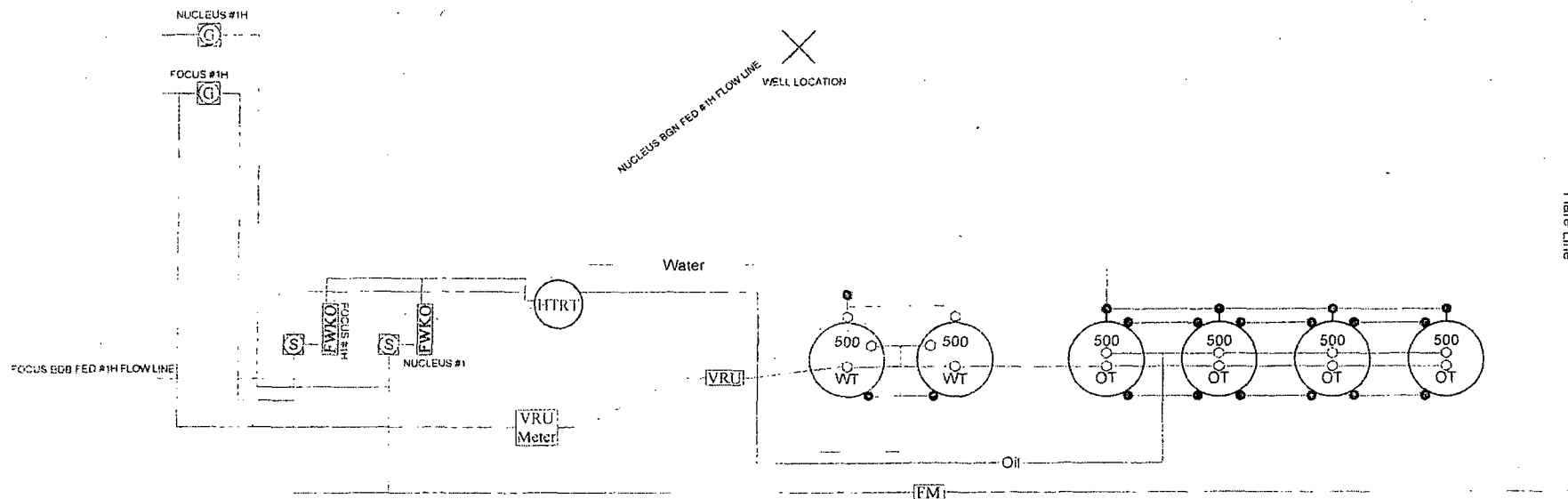
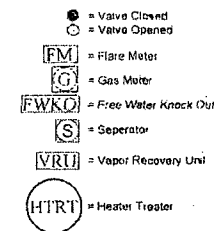
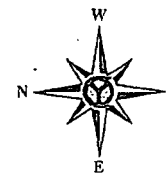
-Keith Hutchens  
-July, 2014

# Nucleus BGN Fed Com #1H

1750' FNL & 330' FWL \* Sec 31 - T19S-R30E\* Unit E

Eddy County, NM

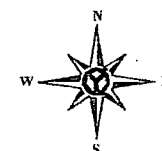
API - 3001539241



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



105 SOUTH FOURTH (575) 745-1471  
ARTESIA, NEW MEXICO 88210



### LEGEND

- Lease Boundaries
- CA Boundaries
- OIL WELL PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE  
T19S R30E

SECTION 31 FOOTAGE

NM STATE

US BUREAU OF  
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-10-14

COUNTY: EDDY

STATE: NEW MEXICO

SHEET NUMBER: 1 OF 1

SCALE: 1" = 1/8 MILE

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  
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NOR DOES YATES PETROLEUM  
CORPORATION ASSUME  
RESPONSIBILITY FOR ANY RELIANCE  
THEREON. RECIPIENT AGREES NOT TO  
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MAP WITHOUT EXPRESS CONSENT  
FROM YATES PETROLEUM  
CORPORATION OR ITS AFFILIATES.

TITLE:

FRESH  
WATER  
RESERVOIR

(MEWBOURNE)

NM 85909

FOCUS  
BDR #1H

BHL

NM-62210

NM-62211

NM-89049

BATT

NUCLEUS  
BGN #1H

BATT

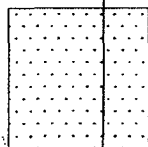
CA #unavailable

BHL

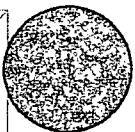
BATT

APL #2H

(MEWBOURNE)



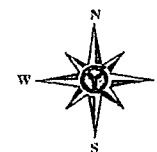
FOCUS  
BDB #1H



FOCUS  
BDB #1H



105 SOUTH FOURTH (75) 748-1471  
ARTESIA, NEW MEXICO 88210



## LEGEND

- ① OIL WELL PROPOSED
- ☀ GAS WELL
- ② OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE  
T19S R30E

| SECTION | FOOTAGE |
|---------|---------|
|---------|---------|

NM STATE

US BUREAU OF  
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-08-14

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  
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Serial Register Page

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Time: 09:14 AM

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Run Date: 07/10/2014

01 02-25-1920;041STA0437;30USC181ETSEQ  
Case Type 311211: O&G LSE SIMO PUBLIC LAND  
Commodity 459: OIL & GAS  
Case Disposition: AUTHORIZED

Total Acres 79.280  
Serial Number NMNM-- 062210

| Name & Address              |                        | Serial Number: NMNM-- 062210 |                  | Int Rel | % Intere     |
|-----------------------------|------------------------|------------------------------|------------------|---------|--------------|
| ABO PETRO CORP              | 105 S 4TH ST           | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |
| DAVID PETROLEUM CORP        | 118 W 1ST ST           | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| K & C PRODUCTION CO         | 118 W 1ST ST           | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| MC MILLAN COLIN R           | 118 W 1ST ST           | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| MYCO INDUSTRIES INC         | 105 S 4TH ST           | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |
| NADEL & GUSSMAN PERMIAN LLC | 601 N MARKERFIELD #508 | MIDLAND TX 79701             | OPERATING RIGHTS |         | 0.00000000   |
| NADEL & GUSSMAN PERMIAN LLC | 601 N MARKERFIELD #508 | MIDLAND TX 79701             | LESSEE           |         | 100.00000000 |
| OXY Y-1 COMPANY             | PO BOX 27570           | HOUSTON TX 77227570          | OPERATING RIGHTS |         | 0.00000000   |
| PERMIAN EXPL CORP           | 118 W 1ST ST           | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| YATES PETRO CORP            | 105 S 4TH ST           | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |

Serial Number: NMNM-- 062210

| Mer Twp | Rng   | Sec   | STYP | Snr Surt | Subdivision | District/Field Office | County | Mgmt Agency         |
|---------|-------|-------|------|----------|-------------|-----------------------|--------|---------------------|
| 23      | 0190S | 0300E | 031  | ALQ      | SEMW        | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0190S | 0300E | 031  | LOTS     | 2           | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

| Act Date   |  | Code | Action                  | Action Remark         | Pending Office |            |
|------------|--|------|-------------------------|-----------------------|----------------|------------|
| 21/04/1988 |  | 10   | CASE ESTABLISHED        | 25/04/1988            |                | 1988 04 26 |
| 14/09/1988 |  | 186  | DRAWING FILED           |                       |                | 1988 09 24 |
| 23/01/1989 |  | 237  | LEASE ISSUED            |                       |                | 1989 01 22 |
| 25/10/1989 |  | 500  | PICKING MODEL           |                       |                | 1989 10 17 |
| 08/23/1992 |  | 163  | CASE MICROFILMED        | CNR: 553, Jee         |                | 1992 08 23 |
| 09/01/1991 |  | 196  | FILE CODE               | 05/11/1991            |                | 1991 09 01 |
| 09/01/1991 |  | 150  | RATE 1/21               |                       |                | 1991 09 01 |
| 09/01/1991 |  | 164  | EFFECTIVE DATE          |                       |                | 1991 09 01 |
| 04/01/1991 |  | 140  | ADON FILED              | PERM/ARCHIVAL         |                | 1991 04 19 |
| 05/12/1991 |  | 135  | ADON APPROVED           | BY 05/01/1991         |                | 1991 05 11 |
| 07/01/1991 |  | 111  | RENTAL RECEIVED         | 10/11/91              |                | 1991 07 05 |
| 17/09/1991 |  | 111  | RENTAL RECEIVED         | 50/11/91              |                | 1991 09 17 |
| 24/01/1991 |  | 271  | AUTOMATED RECORD VERIFY |                       | NR-UP          | 1991 01 23 |
| 07/11/1991 |  | 111  | RENTAL RECEIVED         | 190.00/11/1991        |                | 1991 07 11 |
| 08/01/1991 |  | 111  | RENTAL RECEIVED         | 280.00/11/1991        |                | 1991 08 01 |
| 04/01/1991 |  | 575  | ALL FILED               | PERM RECD DRILLING CO |                | 1991 04 23 |
| 26/10/1991 |  | 576  | ALL APPROVED            | PERM RECD FILE NO 3   |                | 1991 10 26 |
| 26/04/1991 |  | 111  | RENTAL RECEIVED         | 280.00/11/1991        |                | 1991 04 26 |
| 15/04/1991 |  | 237  | THE OPER RSTD FILED     | ACQUERED/DATE ET AL   |                | 1991 04 15 |
| 11/04/1991 |  | 196  | THE OPER RSTD APPROVED  | EXT 11/01/1991        |                | 1991 11 11 |
| 11/04/1991 |  | 271  | AUTOMATED RECORD VERIFY |                       | NR-UP          | 1991 11 11 |
| 27/12/1991 |  | 264  | EXP OF CASE FILED       |                       |                | 1991 12 27 |
| 08/01/1991 |  | 111  | RENTAL RECEIVED         | 280.00/11/1991        |                | 1991 08 08 |
| 06/01/1991 |  | 111  | RENTAL RECEIVED         | 180.00/11/1991        |                | 1991 06 06 |
| 11/01/1991 |  | 111  | RENTAL RECEIVED         | 280.00/11/1991        |                | 1991 11 11 |
| 11/01/1991 |  | 100  | EXP OF CASE FILED       |                       |                | 1991 11 11 |
| 11/01/1991 |  | 237  | THE OPER RSTD FILED     | ACQUERED/DATE ET AL   |                | 1991 11 11 |
| 11/01/1991 |  | 237  | THE OPER RSTD APPROVED  | EXT 11/01/1991        |                | 1991 11 11 |
| 23/04/1991 |  | 271  | AUTOMATED RECORD VERIFY |                       | NR-UP          | 1991 04 23 |

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Serial Register Page

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Time: 10:53 AM

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Click here to see on map

Run Date: 07/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE  
Case Type 312021: O&G LSE COMP PD -1987  
Commodity 459: OIL & GAS  
Case Disposition: AUTHORIZED

Total Acres 159.260  
Serial Number: NMNM--085909

Serial Number: NMNM--085909

| Name & Address       | Int Rel | % Intere    |
|----------------------|---------|-------------|
| ABO PETRO CORP       | LESSEE  | 18.66600000 |
| DAVID PETROLEUM CORP | LESSEE  | 10.91750000 |
| K & C PRODUCTION CO  | LESSEE  | 9.37500000  |
| MYCO INDUSTRIES INC  | LESSEE  | 15.66670000 |
| OXY-Y-1 COMPANY      | LESSEE  | 18.66670000 |
| PERMAN EXPL CORP     | LESSEE  | 4.68750000  |
| YATES PETRO CORP     | LESSEE  | 25.00000000 |

Serial Number: NMNM--085909

| Map Type | Reg. Sec | S Type | Snr Suf | Subdivision | District/Field Office | County | Map Agency          |
|----------|----------|--------|---------|-------------|-----------------------|--------|---------------------|
| 21 01805 | 0300E    | 031    | AUD     | NONE;NENY;  | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 21 01805 | 0300E    | 031    | LOTS    | 1;          | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

Serial Number: NMNM--085909

| Act Date   | Code | Action                   | Action Remark          | Pending Office |
|------------|------|--------------------------|------------------------|----------------|
| 10/16/1990 | 181  | CASE ESTABLISHED         | 0510122                |                |
| 10/17/1990 | 181  | SALE MADE                |                        |                |
| 10/17/1990 | 147  | BID RECEIVED             | 2184000.00;            |                |
| 10/17/1990 | 192  | MOVIES RECEIVED          | 2184000.00;            |                |
| 12/11/1990 | 137  | LEASE ISSUED             |                        |                |
| 11/01/1991 | 194  | END COMP - 1/1/21        | 25141903               |                |
| 01/01/1992 | 200  | BUY RATE - 1/1/21        |                        |                |
| 01/01/1992 | 204  | EFFECTIVE DATE           |                        |                |
| 11/20/1993 | 111  | RENTAL RECEIVED          | 6245.70;21/01/76702423 |                |
| 11/23/1993 | 509  | RECORDS INDEX            |                        |                |
| 02/11/1994 | 919  | END OF ORR FILED         |                        |                |
| 01/16/1991 | 974  | AUTOMATED RECORD VERIF   | LR/SP                  |                |
| 11/16/1991 | 111  | RENTAL RECEIVED          | 6245.90;21/11/19168    |                |
| 11/12/1991 | 111  | RENTAL RECEIVED          | 6245.90;21/11/19961    |                |
| 03/04/1993 | 147  | ADON FILED               | RENEWAL/ADON PRUC      |                |
| 03/07/1994 | 137  | ADON APPROVED            | EFF 03/01/94           |                |
| 03/07/1994 | 74   | AUTOMATED RECORD VERIF   | RECOVER                |                |
| 11/14/1994 | 111  | RENTAL RECEIVED          | 6245.70;21/05/00000002 |                |
| 07/31/1995 | 147  | LEASE COMMITTED TO CA    | 21/06/0464113;         |                |
| 01/31/1996 | 469  | MEP/IF 1ST PROD-ALLAN    | 21/06/0464113;         |                |
| 12/28/1995 | 551  | HELD BY PROD - ALLUCATEL | 21/06/0464113;         |                |
| 01/04/1996 | 643  | PRODUCTION DETERMINATION | 21/06/0464113;         |                |
| 05/12/2013 | 545  | NAME CHANGE RECORDED     | 21/06/0464113;         |                |

Serial Number: NMNM--085909

| Line Nr | Remarks |
|---------|---------|
|---------|---------|

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Serial Register Page



DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Time: 09:16 AM

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Click here to see on map

Run Date: 07/10/2014

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&amp;G LSE SIMO PUBLIC LAND

200.000

NMNM - 062211

Commodity 459: OIL &amp; GAS

Case Disposition: AUTHORIZED

| Name & Address       |              | Serial Number: NMNM - 062211 |                  | Int Rel | % Intere     |
|----------------------|--------------|------------------------------|------------------|---------|--------------|
| ABO PETRO CORP       | 105 S 4TH ST | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |
| DAVID PETROLEUM CORP | 118 W 1ST ST | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| K & C PRODUCTION CO  | 118 W 1ST ST | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| MCILLAN COLIN R      | 118 W 1ST ST | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| MYCO INDUSTRIES INC  | 105 S 4TH ST | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |
| OKY YAT COMPANY      | PO BOX 23570 | HOUSTON TX 772277570         | OPERATING RIGHTS |         | 0.00000000   |
| PERMAN EXPL CORP     | 118 W 1ST ST | ROSWELL NM 88201             | OPERATING RIGHTS |         | 0.00000000   |
| YATES PETRO CORP     | 105 S 4TH ST | ARTESIA NM 88210             | OPERATING RIGHTS |         | 0.00000000   |
| YATES PETRO CORP     | 105 S 4TH ST | ARTESIA NM 88210             | LESSEE           |         | 100.00000000 |

| Met Typ |      | Rng   | Sec | STyp | SNr Suf | Subdivision | District/Field Office | County | Mont Agency         |
|---------|------|-------|-----|------|---------|-------------|-----------------------|--------|---------------------|
| 22      | 0905 | 0300E | 011 | ALQ  |         | SWNE SE     | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

| Act Date   |     | Code | Action                   | Action Remark         | Pending Office |
|------------|-----|------|--------------------------|-----------------------|----------------|
| 07/07/1982 | 187 |      | CASE ESTABLISHED         | SPARKS                |                |
| 01/05/1985 | 848 |      | DRAWING WELL             |                       |                |
| 08/01/1985 | 253 |      | LEASE ISSUED             |                       |                |
| 08/12/1985 | 492 |      | RECORDS NOTED            |                       |                |
| 14/16/1985 | 503 |      | LEASE MICROFILMED        | CORN 115,371 AC       |                |
| 07/01/1985 | 205 |      | FILED                    | 07/14/2002            |                |
| 19/01/1985 | 510 |      | LEASE RATE \$12 PER ACRE |                       |                |
| 19/01/1985 | 567 |      | EFFECTIVE DATE           |                       |                |
| 06/16/1986 | 111 |      | RENTAL RECEIVED          | \$0.40-01             |                |
| 06/29/1986 | 111 |      | RENTAL RECEIVED          | 17:07-02              |                |
| 04/11/1986 | 111 |      | AUTOMATED RECORD VERIFY  | 10/1/86               |                |
| 07/17/1986 | 111 |      | RENTAL RECEIVED          | \$204.00/11/86/85-04  |                |
| 07/17/1986 | 111 |      | RENTAL RECEIVED          | \$200.00/11/86/85-04  |                |
| 09/07/1986 | 147 |      | ASIN FILED               | HAUSMAN/ROSWELL FIELD |                |
| 10/03/1986 | 135 |      | ASIN APPROVED            | EFF 10/01/86          |                |
| 10/03/1986 | 111 |      | AUTOMATED RECORD VERIFY  | 10/01/86              |                |
| 10/03/1986 | 575 |      | ASIN FILED               | PPED 10/01/86/11/86   |                |
| 11/17/1986 | 111 |      | RENTAL RECEIVED          | 10/01/86/11/86        |                |
| 09/04/1986 | 503 |      | LEASE OPEN ROPS FILED    | 1004.00/11/86/85-04   |                |
| 11/26/1986 | 111 |      | LEASE OPEN ROPS APPROVED | EFF 10/01/86          |                |
| 11/26/1986 | 111 |      | AUTOMATED RECORD VERIFY  | 10/01/86              |                |
| 12/11/1986 | 492 |      | LEASE OPEN ROPS FILED    |                       |                |
| 06/25/1987 | 111 |      | RENTAL RECEIVED          | \$200.00/11/86/85-04  |                |
| 07/23/1987 | 111 |      | RENTAL RECEIVED          | \$200.00/11/86/85-04  |                |
| 11/02/1987 | 432 |      | LEASE OPEN ROPS FILED    | NEWELL/HAUSMAN FIELD  |                |
| 05/01/1987 | 111 |      | LEASE OPEN ROPS APPROVED | EFF 02/01/87          |                |
| 05/01/1987 | 111 |      | AUTOMATED RECORD VERIFY  | 05/01/87              |                |
| 07/21/1987 | 111 |      | RENTAL RECEIVED          | \$200.00/11/86/85-04  |                |
| 07/21/1987 | 111 |      | LEASE OPEN ROPS FILED    | 10/01/86              |                |

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Serial Register Page

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Time: 09:17 AM

Page 1 of 1

Click here to see on map

Run Date: 07/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE  
Case Type 312021: O&G LSE COMP PD-1987  
Commodity 459: OIL & GAS L  
Case Disposition: AUTHORIZED

Total Acres  
40.000Serial Number  
NMNM--089049

| Name & Address       | Serial Number: NMNM--089049 | Int Rel             | % Intere |
|----------------------|-----------------------------|---------------------|----------|
| ABO PETRO CORP       | 105 S 4TH ST                | ARTESIA NM 88210    | LESSEE   |
| DAVID PETROLEUM CORP | 116 W 1ST ST                | ROSWELL NM 88201    | LESSEE   |
| K & C PRODUCTION CO  | 118 W 1ST ST                | ROSWELL NM 88201    | LESSEE   |
| MYCO INDUSTRIES INC  | 105 S 4TH ST                | ARTESIA NM 88210    | LESSEE   |
| OXY Y-I COMPANY      | PO BOX 27570                | HOUSTON TX 77277570 | LESSEE   |
| PERMIAN EXPL CORP    | 118 W 1ST ST                | ROSWELL NM 88201    | LESSEE   |
| YATES PETRO CORP     | 105 S 4TH ST                | ARTESIA NM 88210    | LESSEE   |

| Mer Twp Rng Sec  | STyp | SNr Suf | Subdivision | District/Field Office | County | Mont Agency         |
|------------------|------|---------|-------------|-----------------------|--------|---------------------|
| 23 0105 030E 031 | ALJO |         | SENE        | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

| Act Date   | Code | Action                 | Action Remar           | Pending Office |
|------------|------|------------------------|------------------------|----------------|
| 04/21/1990 | 28   | COSE ESTABLISHED       | 04/21/90               |                |
| 04/22/1990 | 191  | SALA HELD              |                        |                |
| 04/22/1990 | 245  | BIG RECEIVED           | 04/22/90,000           |                |
| 04/22/1990 | 192  | MONIES RECEIVED        | 04/22/90,000           |                |
| 05/15/1990 | 19   | LEASE (MADE)           |                        |                |
| 05/15/1990 | 192  | AUTOMATIC RECORD VERIF | 05/15/90               |                |
| 05/01/1990 | 190  | TURN OVER              | 05/15/90               |                |
| 05/01/1990 | 190  | TURN OVER              |                        |                |
| 05/01/1990 | 190  | EFFECTIVE DATE         |                        |                |
| 05/01/1990 | 190  | RECORDS NOTED          |                        |                |
| 10/07/1990 | 190  | ASGN FILE              | YATES ETAL/YESIES STAI |                |
| 02/02/1990 | 190  | ASGN APPROVAL          | EFF 11/01/90           |                |
| 02/02/1990 | 191  | AUTOMATIC RECORD VERIF | 02/02/90               |                |
| 02/02/1990 | 192  | CASE MICROFILMED       | 02/02/90               |                |
| 02/02/1990 | 191  | RENTAL RECEIVED        | 02/02/90               |                |
| 02/02/1990 | 192  | ASGN FILE              | 02/02/90               |                |
| 02/02/1990 | 190  | ASGN APPROVAL          | EFF 02/01/90           |                |
| 02/02/1990 | 192  | AUTOMATIC RECORD VERIF | 02/02/90               |                |
| 02/02/1990 | 191  | RENTAL RECEIVED        | 02/02/90               |                |
| 02/02/1990 | 083  | RENTAL RECEIVED BY BLP | 02/02/90               |                |
| 02/02/1990 | 192  | LEASE COMMITTED TO O&G | 02/02/90               |                |
| 02/02/1990 | 190  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 191  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 192  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 190  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 191  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 192  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 190  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 191  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |
| 02/02/1990 | 192  | RENT OF 1ST PROD-ALLUC | 02/02/90               |                |

| Line Nr | Remarks | Serial Number: NMNM--089049 |
|---------|---------|-----------------------------|
|---------|---------|-----------------------------|

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

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 (CA) commingle  
Focus BDB Federal #1H  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Lease (CA) commingle production for the Nucleus BGN Federal Com #1H and Focus BDB Federal #1H.

The commingle production will be measured and sold at the Nucleus BGN tank battery facilities located at SWNW, Sec. 31-T19S-R30E.

**Federal Lease #NM-85909**

**Well name**

Focus BDB Federal #1H  
Sec. 31-T19S-R30E, NWNW  
API #30-015-39421  
Eddy County, NM

**Pool #49622**

Parkway; Bone S

**BOPD**

\*150

**Gravity**

\*42

**MCFPD**

\*200

**BTU**

\*1209

**CA # unavailable at this time**

Nucleus BGN Com Federal #1H  
Sec. 20-T19S-R25E, SWNW  
API # 30-015-39241  
Eddy County, NM

Parkway; Bone S

\*150

\*42

\*200

\*1209

\*This is an estimated production.

**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 Nucleus BGN Fed #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 for this application.

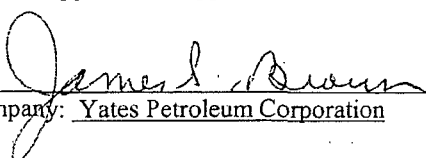
**Gas Measurement**

Each well will have its own sales meter and no commingle will take place.

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

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
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105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118

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EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

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Eddy County, New Mexico

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Parkway; Bone S

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Eddy County, NM

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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

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

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JOHN D. PERINI  
EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

RE: Surface lease (CA) commingle  
Focus BDB Federal #1H  
Eddy County, New Mexico

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**Federal Lease #NM-85909**

| <u>Well name</u>   | <u>Pool #49622</u> | <u>BOPD</u> | <u>Gravity</u> | <u>MCFPD</u> | <u>BTU</u> |
|--|--------------------|-------------|----------------|--------------|------------|
| Focus BDB Federal #1H<br>Sec. 31-T19S-R30E, NWNW<br>API #30-015-39421<br>Eddy County, NM | Parkway; Bone S    | *150        | *42            | *200         | *1209      |

**CA # unavailable at this time**

|   |                 |      |     |      |       |
|---|-----------------|------|-----|------|-------|
| Nucleus BGN Com Federal #1H<br>Sec. 20-T19S-R25E, SWNW<br>API # 30-015-39241<br>Eddy County, NM | Parkway; Bone S | *150 | *42 | *200 | *1209 |
|---|-----------------|------|-----|------|-------|

\*This is an estimated production.

**Oil Measurement**

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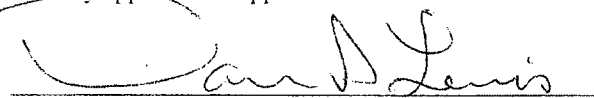
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If you have any questions, please call me at (575) 748-4200 (direct line)

I hereby approve this application

  
Company: Abo Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
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PRESIDENT

JOHN D. PERINI  
EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

July 15, 2014

RE: Surface lease (CA) commingle  
Focus BDB Federal #1H  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to Surface Lease (CA) commingle production for the Nucleus BGN Federal Com #1H and Focus BDB Federal #1H.

The commingle production will be measured and sold at the Nucleus BGN tank battery facilities located at SWNW, Sec. 31-T19S-R30E.

**Federal Lease #NM-85909**

**Well name**

Focus BDB Federal #1H  
Sec. 31-T19S-R30E, NWNW  
API #30-015-39421  
Eddy County, NM

**Pool #49622**

Parkway; Bone S

**BOPD**

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Sec. 20-T19S-R25E, SWNW  
API # 30-015-39241  
Eddy County, NM

Parkway; Bone S

\*150

\*42

\*200

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\*This is an estimated production.

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Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Nucleus BGN Com Fed #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 for this application.

**Gas Measurement**

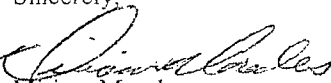
Each well will have its own sales meter and no commingling will take place.

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**

|   |                          |
|---|--------------------------|
| HUGH E & MICHAEL G HANAGAN<br>CO-TRUSTEES OF BETTY L TRUST<br>P O BOX 1737<br>ROSWELL, NM 88202 | 7014 0510 0001 0742 8398 |
| EDSEL B NEFF, JR<br>403 TIERRA BERRENDIA<br>ROSWELL, NM 88201                                   | 7014 0510 0001 0742 8404 |
| THOMAS R NICKOLOFF<br>P O BOX 51807<br>MIDLAND, TX 79710-1807                                   | 7014 0510 0001 0742 8411 |
| HANAGAN PETROLEUM CORP<br>P O BOX 1737<br>ROSWELL, NM 88202                                     | 7014 0510 0001 0742 8428 |
| JOSE R PEREZ<br>P O BOX 3091<br>CORPUS CHRISTI, TX 78463  | 7014 0510 0001 0742 8435 |
| NUEVO SEIS, LIMITED<br>P O BOX 2588<br>ROSWELL, NM 88202-2588                                   | 7014 0510 0001 0742 8442 |
| MORRIS E SCHERTZ<br>P O BOX 2588<br>ROSWELL NM 88202-2588                                       | 7014 0510 0001 0742 8459 |
| FIRST ROSWELL COMPANY<br>P O BOX 1797<br>ROSWELL NM 88202-1797                                  | 7014 0510 0001 0742 8466 |
| BRIAN T GROOMS<br>2906 DIAMOND A DR<br>ROSWELL NM 88201   | 7014 0510 0001 0742 8473 |

**LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS**

|   |                          |
|---|--------------------------|
| MADISON M HINKLE<br>P O BOX 2292<br>ROSWELL NM 88202-2292                   | 7014 0510 0001 0742 8480 |
| ROLLA R HINKLE III<br>P O BOX 2292<br>ROSWELL NM 88202-2292                 | 7014 0510 0001 0742 8497 |
| NATALIE V HANAGAN<br>1922 18 <sup>TH</sup> AVE W<br>WILLISTON ND 58801-2553 | 7014 0510 0001 0742 8503 |
| OXY Y-1 COMPANY<br>P O BOX 841803<br>DALLAS TX 75284-1803                   | 7014 0510 0001 0742 8510 |
| DAVID PETROLEUM CORP<br>116 W FIRST STREET<br>ROSWELL NM 88203              | 7014 0510 0001 0742 8527 |
| OIL CONSERVATION DIVISION<br>1220 S ST. FRANCIS DRIVE<br>SANTA FE NM 87505  | 7014 0510 0001 0742 8534 |

|         |          |          |           |      |         |
|---------|----------|----------|-----------|------|---------|
| 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

Signature

Production Analyst  
 Title

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<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>Production | Volumes |
|--------------------------|--|---|--|---|---------|
|                          |  |   |  |   |         |
|                          |  |   |  |   |         |
|                          |  |   |  |   |         |
|                          |  |   |  |   |         |
|                          |  |   |  |   |         |

- (2) Are any wells producing at top allowances? ☐ 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. Parkway; Bone Spring #49622  
(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

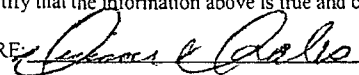
- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(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: 

TITLE: Production Analyst

DATE: 7/15/14

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Commingling and Off lease measurement of production  
September 15, 2015**

**Conditions of Approval: Yates Petroleum Corp.  
Focus BDB Federal #1H and Nucleus BGN Federal Com 1H  
NM85909 & CA pending for Nucleus BGN Fed Com 1H presently under lease  
#NM89049 / 3001539421, 3001539241**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.