

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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. NM125008
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

575-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

990' FNL & 15' FEL Sec. 17-T19S-R-25E NENE, Unit A

900' FNL & 330' FWL Sec. 17-T19S-R25E NWNW, Unit D

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

CA agreement pending

8. Well Name and No.

Roy AET Com #9H

9. API Well No.

30-015-42252

10. Field and Pool or Exploratory Area

N.Seven Rivers;Glorita-Yeso

11. County or Parish, State

Eddy County, New Mexico

12. CHECK THE 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	<u>off lease</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>measurement</u>

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 off lease measure, sale and store production for the Roy AET Com #9H.

The production will be measured and sold/transferred at the Aparejo battery located at Sec. 16-T19S-R25E, Unit B. Please see site security diagram and other documentation attach.

NM OIL CONSERVATION
ARTESIA DISTRICT

NOV 19 2015

All owners are being notified, see attached documentation.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Please see attached continuation

CD 11/23/15
Accepted for record

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Miriam Morales
Title Prod. Reporting Analyst
Signature [Signature] Date 9/24/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title LPET Date 11-17-15
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 on off lease measurement for Roy AET Com #9H.

Oil measurement

Tanks will be isolated and no surface commingling will take place.

Gas measurement

Each well will have its own meter located at the battery and no surface commingling will take place.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not reduce royalty or improper measurement of production. No royalty rate or values will be affected.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

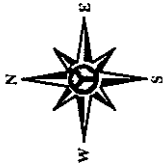


105 South 4th Street * Artesia, NM 88210
(505) 748-1471

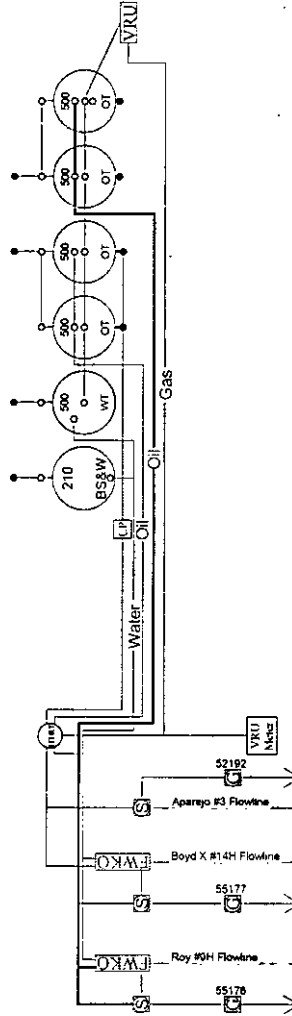
-Michael Farmer
-September, 2014

Aparejo Battery

660' FNL & 660' FWL * Sec 16 - T19S-R25E* Unit D
Eddy County, NM
API - 3001528327



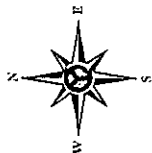
- = Valve Closed
- = Valve Open
- GM = Gas Meter
- FWKO = Free Water Knock Out
- S = Separator
- VRU = Vapor Recovery Unit
- HT = Heater Trailer
- CP = Circulating Pump
- 210 BS&W = Bottom Sediment & Water (Slip Tank)



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



105 SW T11N R11E 15S 124 171
ARTESIA, NEW MEXICO 88210



LEGEND

- GPS ROADS
- FLOW LINE YATES
- LEASE BOUNDARIES

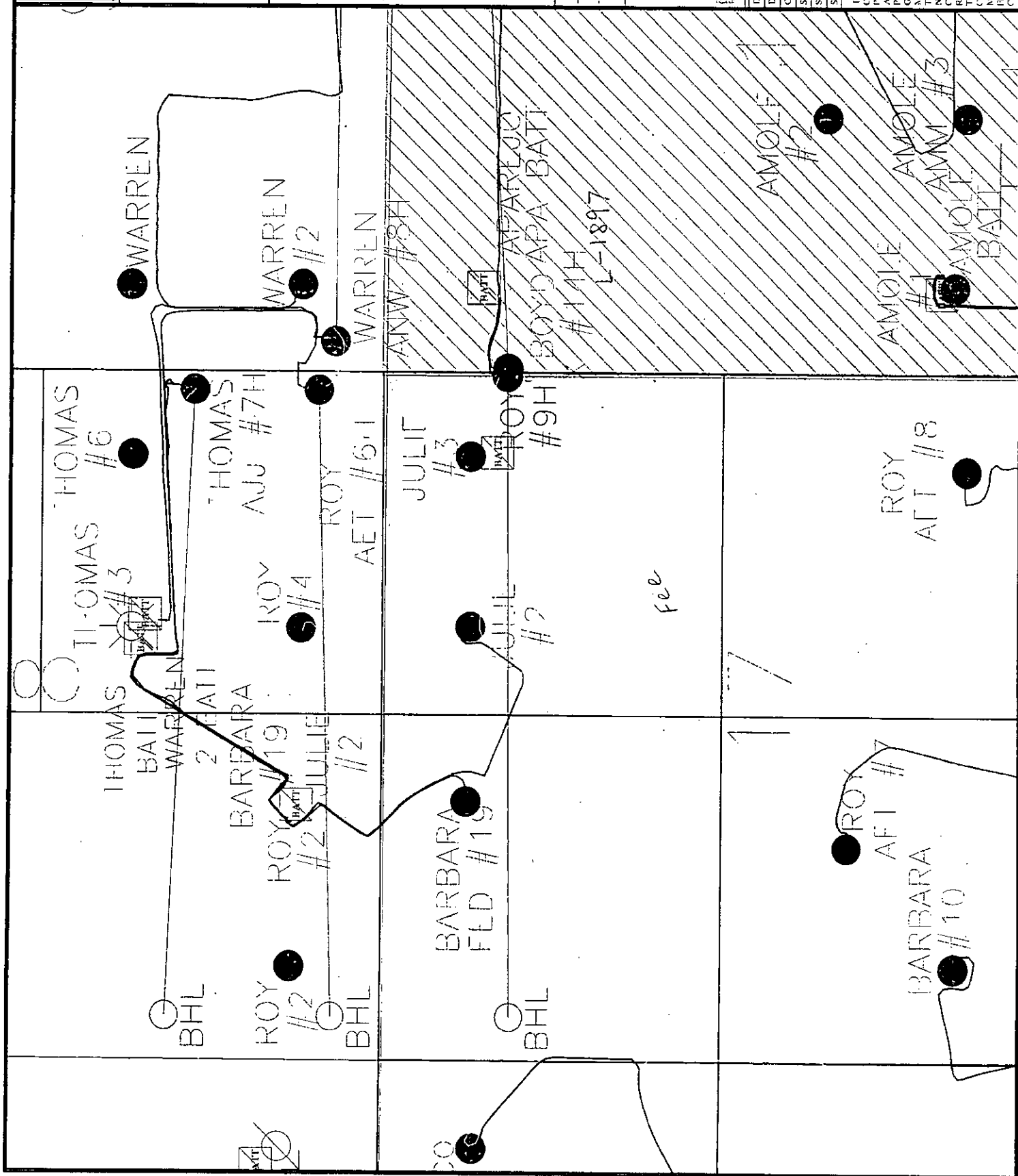
- GAS WELL
- OIL WELL
- SALT WATER DISPOSAL

Surface Location
TOWNSHIP AND RANGE
T15S R25E
SECTION
16, 17
FOOTAGE

NM STATE
US BUREAU OF
LAND MANAGEMENT
DRAWN BY: JAH
DATE DRAWN: 09-16-15
COUNTY:
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.
FOR YATES PETROLEUM
CORPORATION'S ASSURE
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.



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: Off Lease Measurement
Roy AET Com #9H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Off Lease measure, sale and store production for the following well:

Roy AET Com #9H
N. Seven Rivers; Glorietta-Yeso
Sec. 17-T19S-R25E
API #30-015-42252
Fee
Eddy County, NM

The production will be measured and sold at the Aparejo battery in Sec. 16-T19S-R25E, Unit B.
All owners will be notified.

Oil Measurement

Tanks will be isolated and no surface commingling will take place

Gas Measurement

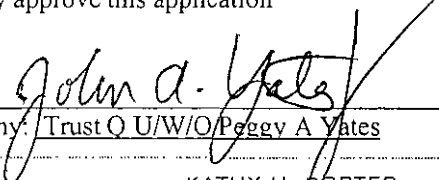
Each well will have its own meter located at the battery and no surface commingling will take place.

The purpose of the Off lease measurement 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 this well.

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

Sincerely,
Miriam Morales
Production Analyst

I hereby approve this application



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

KATHY H. DORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
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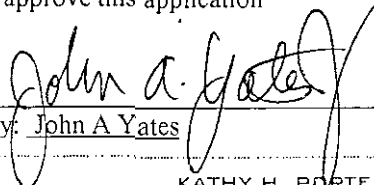
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Sincerely,
Miriam Morales
Production Analyst

I hereby approve this application


Company: John A Yates

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1983

FRANK W. YATES
1936-1986

S.P. YATES
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Eddy County, New Mexico

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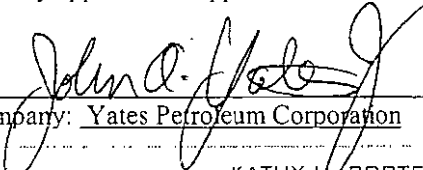
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Sincerely,
Miriam Morales
Production Analyst

I hereby approve this application



Company: Yates Petroleum Corporation
KATHY H. PORTER
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Eddy County, New Mexico

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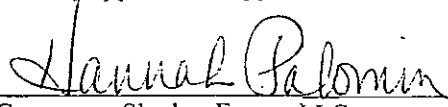
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Sincerely,
Miriam Morales
Production Analyst

I hereby approve this application


Company: Sharbro Energy LLC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

September 24, 2014

RE: Off Lease measurement
Roy AET Com #9H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division and the Bureau of Land Management for Off Lease measure, sale and store production for the following well:

Roy AET Com #9H
N. Seven Rivers; Glorietta-Yeso
Sec. 17-T19S-R25E
API #30-015-42252
Fee
Eddy County, NM

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Any objections must be filed in writing with the Oil Conservation Division 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 should 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

R R HINKLE COMPANY, INC P O BOX 2292 ROSWELL, NM 88202-2292	7014 0510 0001 0744 0727
MCQUIDDY COMM. & ENERGY, INC P O BOX 2072 ROSWELL, NM 88201	7014 0510 0001 0744 0710
RICHARD H LANDSHEFT, JR 2313 JIM DENT EL PASO, TX 79939	7014 0510 0001 0744 0703
WILLIAM B LANDSHEFT RT 6 15880 S PEORIA BIXBY, OK 74008	7014 0510 0001 0744 0697
LYNN E DESPER 380 LOS RANCHOS RD NW ALBUQUERQUE, NM 87107-6532	7014 0510 0001 0744 0680
SHIRLEY CHILDRESS 604 N DELAWARE AVE #2 ROSWELL, NM 88201-2135	7014 0510 0001 0744 0673
JAMES W CHILDRESS P O BOX 3209 ROSWELL, NM 88202-3209	7014 0510 0001 0744 0666
JAMES L HINKLE ESTATE P O BOX 2262 KING CITY, CA 93930	7014 0510 0001 0744 0598
HINKLE LIVING TRUST P O BOX 1793 ROSWELL, NM 88202-1793	7014 0510 0001 0744 0574
BETTIANNE H BOWEN LIVING TRUST 238 BEVERLY CT KING CITY, CA 93930-3501	7014 0510 0001 0744 0567
CHARLES E HINKLE P O BOX 1030 KING CITY, CA 93930	7014 0510 0001 0744 0581
KRISTEN COOMES 265 259TH AVE NE SAMMAMISH, WA 98074-3478	7014 0510 0001 0744 0550
JENNA HINKLE SARTORI 5710 HATCHERY CT PENNGROVE, CA 94951-9664	7014 0510 0001 0744 0543
SALLY A ELLIS 771 CRESCENT DR BOULDER, CO 80303	7014 0510 0001 0744 0536
HELEN CHASE RAND TRUST ATTN: WELLS FARGO BANK P O BOX 5383 DENVER, CO 80217	7014 0510 0001 0744 0529
LONESOME OIL, LLC P O BOX 50880 MIDLAND, TX 79710	7014 0510 0001 0744 0659
QUETICO SUPERIOR FOUNDATION ATTN: THOMAS VANDERMOLLEN 50 S 6TH STREET STE 1500 MINNEAPOLIS, MN 55402-1498	7014 0510 0001 0744 0949

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

ROLLA R III AND ROSEMARY H HINKLE P O BOX 2292 ROSWELL, NM 88202-2292	7014 0510 0001 0744 0956
MADISON M & SUSAN M HINKLE P O BOX 2292 ROSWELL, NM 88202-2292	7014 0510 0001 0744 0932
HOPE ROYALTIES, LLC P O BOX 1326 ARTESIA, NM 88211-1326	7014 0510 0001 0744 0925
MARSHALL & WINSTON, INC P O BOX 50880 MIDLAND, TX 79710-0880	7014 0510 0001 0744 0918
GAYLE GLASS ROCHE P O BOX 50248 AUSTIN, TX 78763	7014 0510 0001 0744 0895
GAYLE ELIZABETH LANGFORD P O BOX 2827 BIG FORK, MT 59911	7014 0510 0001 0744 0888
ROBERT GLASS LANGFORD 1173 ISIDORA TRAIL LOCKHART, TX 78644	7014 0510 0001 0744 0901
JEFFERSON MILNER LANGFORD P O BOX 22205 SANTA FE, NM 87502	7014 0510 0001 0744 0871
LOU ANN LANGFORD 606 WINSFORD RD BRYN MAWR, PA 19010	7014 0510 0001 0744 0864
ALLISON CLAIRE CURRY SAUNDERS P O BOX 50327 AUSTIN, TX 78763-0327	7014 0510 0001 0744 0857
ALFRED FOY CURRY IV 1016 ALTA LOMA CIRCLE SAN ANGELO, TX 76901	7014 0510 0001 0744 0840
RICHARD HOWELL ESTATE P O BOX 94 LAKEWOOD, NM 88254	7014 0510 0001 0744 0833
THE JAMES H & BETTY R HOWELL REVOCABLE TRUST P O BOX 75 LAKEWOOD, NM 88254	7014 0510 0001 0744 0819
NANCY L KINCAID 2911 OCOTILLO CANYON DR CARLSBAD, NM 88220	7014 0510 0001 0744 0826
JAMES R SWOPE 1832 MOUNTAIN LAUREL KERRVILLE, TX 78028-3843	7014 0510 0001 0744 0802
MARGARET RABURN TRUST 1428 NW 168TH STREET EDMOND, OK 73012-6873	7014 0510 0001 0744 0789
THELMA MAY SCHAFER FIRST AMERICAN BANK ATTN: CHERYL BARTLETT P O BOX AA ARTESIA, NM 88210	7014 0510 0001 0744 0796

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

CAUPAHE PROPERTIES PARTNERSHIP 5299 RIO PENASCO RD MAYHILL, NM 88339	7014 0510 0001 0744 0772
STERLING M CARTER P O BOX 97 WINSTON, NM 87943	7014 0510 0001 0744 0758
KENNA C SCOTT 3341 SEQUOIA AVE ALAMOGORDO, NM 88310	7014 0510 0001 0744 0741
MICHAEL T CARTER 2106 WILLS WAY RD GRANDBURY, TX 76049-5788	7014 0510 0001 0744 0765
JACK S MCDONALD 1110 COLLEGE AVE SNYDER, TX 79549	7014 0510 0001 0744 0734
CYDNEY M MEDFORD 2111 PAISANO RD AUSTIN, TX 78746	7014 0510 0001 0744 0451
JAN A HERRSTROM 810 FOREST OAKS CIR WOODWAY, TX 76712-2235	7014 0510 0001 0744 0468
GEORGE S CRANFORD 2009 HUBBARD CT VILLA RICA, GA 30180	7014 0510 0001 0744 0475
ANGELA ESSMAN SPENCER P O BOX 7501 MIDLAND, TX 79708	7014 0510 0001 0744 0604
RAY HALL BECK 3509 DOMINION RIDGE SAN ANGELO, TX 76904	7014 0510 0001 0744 0611
OCOTILLO PRODUCTION LLC 1705 WASHINGTON AVE ARTESIA, NM 88210-1650	7014 0510 0001 0744 0628
VAN WINKLE FAMILY LLC 9191 YELLOWSTONE RD LONGMONT, CO 80503	7014 0510 0001 0744 0642
DAVID A HARPER 43-1 W FUNK RD LAKE ARTHUR, NM 88253	7014 0510 0001 0744 0635
JUANEL A HARPER 2103 W CENTRE AVE ARTESIA, NM 88210-2245	7014 0510 0001 0744 0482
JAMI A HARL 2485 E 54TH ST TULSA, OK 74105-7201	7014 0510 0001 0744 0499
JAMES A CARSON P O BOX 1761 LOWELL, AR 72745-1761	7014 0510 0001 0744 0505
TWIN OAKS PETROLEUM 4010 LAZYBROOK DR NOLLANVILLE, TX 76559	7014 0510 0001 0744 0215

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

VALERIE A MAHFOOD 3014 BARRYWOOD WICHITA FALLS, TX 76309	7014 0510 0001 0744 0512
WILLIAM J MCCAOW P O BOX 376 ARTESIA, NM 88211-0376	7014 0510 0001 0744 0222
MARY G RIDDLE 2924 MIRRORMERE CR BRYAN, TX 77807	7014 0510 0001 0744 0239
MIKE H ROBERTS 1108 LA VACA ST #110-282 AUSTIN, TX 78701	7014 0510 0001 0744 0246
OSCURA RESOURCES INC P O BOX 2292 ROSWELL, NM 88202-2292	7014 0510 0001 0744 0444
MANER B SHAW P O BOX 9612 MIDLAND, TX 79708	7014 0510 0001 0744 0437
JAMES W ESSMAN 1209 COUNTRY CLUB DR MIDLAND, TX 79701	7014 0510 0001 0744 0420
FLORENCE M ESSMAN CURRY 804 PALOMINO MIDLAND, TX 79705	7014 0510 0001 0744 0413
ROBERT E CHAMBERS JR 2441 STANMORE DR HOUSTON, TX 77019	7014 0510 0001 0744 0406
CELESTE CHAMBERS LIPSCOMB 480 N WARSON RD ST LOUIS, MO 63124	7014 0510 0001 0744 0390
NEVA CHAMBERS DAWSON 8 S WEST OAK RD HOUSTON, TX 77056-2122	7014 0510 0001 0744 0383
ROBERT E CHAMBERS JR AS TRUSTEE OF THE LOLLIE D CHAMBERS TRUST 2441 STANMORE DR HOUSTON, TX 77019	7014 0510 0001 0744 0376
CELESTE CHAMBERS LIPSCOMB AS TRUTEE OF THE LOLLIE D CHAMBERS DESCENDANTS TRUST 480 N WARSON RD ST LOUIS, MO 63124-1343	7014 0510 0001 0744 0369
NEVA CHAMBERS DAWSON AS TRUTEE OF THE LOLLIE D CHAMBERS TRUST 8 S WEST OAK RD HOUSTON, TX 77056-2122	7014 0510 0001 0744 0352
ALICE A HANKS FREEMAN P O BOX 9087 WICHITA FALLS, TX 76308-9087	7014 0510 0001 0744 0345
W T PROBANDT 5 RIDGEMART CT MIDLAND, TX 79707-6612	7014 0510 0001 0744 0338

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YATES INDUSTRIES LLC P O BOX 1091 ARTESIA, NM 88211-1091	7014 0510 0001 0744 0321
A M ROUTH 16220 ROCKIES RUN SUMMIT AUSTIN TX 78738-4028	7014 0510 0001 0744 0314
SELMA L BATES 14515 BRIAR FOREST DR APT #213 HOUSTON TX 77077	7014 0510 0001 0744 0307
LEA CORPORATION P O BOX 451 MIDLAND TX 79702	7014 0510 0001 0744 0291
PAYNE-JOHNSTON MANAGEMENT INC ACCOUNT #1 801 FIRST PLACE TYLER TX 75702	7014 0510 0001 0744 0284
PAYNE JOHNSTON MANAGEMENT INC ACCOUNT #2 801 FIRST PLACE TYLER TX 75702	7014 0510 0001 0744 0284
COLUMBIA RIVER RESOURCES INC 1800 W BIG BEAVER RD STE 100 TROY MI 48084	7014 0510 0001 0744 0253
SOUTHWEST ROYALTIES INC 6 DESTA DRIVE STE 1100 MIDLAND TX 79705-5510	7014 0510 0001 0744 0260
OXY Y-1 COMPANY P O BOX 841803 DALLAS TX 75284-1803	7014 0510 0001 0744 5005
OIL CONSERVATION DIVISION 1220 S SAINT FRANCIS DR SANTA FE NM 87505	7014 0510 0001 0744 4992

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 _____

NM OIL CONSERVATION
 ARTESIA DISTRICT
 NOV 19 2015

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- [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		Production Analyst	9/24/14
Print or Type Name	Signature	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 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.

(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: 9/24/14

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**

**Off-Lease Sales of gas production
Conditions of Approval**

**Yates Petroleum Corporation
Roy AET Com #9H
Lease NM125008 / CA Pending**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
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 and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. 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.
7. Approval for off-lease from various sources is a privilege which is granted to lessees/operators 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.