

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office**  
**OCD Artesia**

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

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

5. Lease Serial No.  
NMNM81952

6. If Indian, Allottee or Tribe Name

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

7. If Unit or CA/Agreement, Name and/or No.  
NMNM129331

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
Multiple--See Attached

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

9. API Well No.  
Multiple--See Attached

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

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

10. Field and Pool, or Exploratory  
CABIN LAKE  
CABIN LAKE DELAWARE

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

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

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum respectfully requests approval to amend CTB-642 previously approved for oil only. Yates will also like to commingle the gas production for the Llama ALL Federal #1,4,5,9H and 10H.

The commingle production will be measured and sold at the Llama ALL Fed. #1 battery located at SWSW, Sec. 7-T22S-R31E.

All owners will be notified (see attach).

Ownership between the #1,4,5 and 10H is identical; however the #9H has diversified ownership.

Please see site facility diagram and all other documentation attach.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

**MAR 29 2016**

**RECEIVED**

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

**Electronic Submission #252023 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 (15CQ0271SE)**

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 <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>03/23/2016</u>
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 <u>Carlsbad</u> ✓

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 \*\***

CT

**Additional data for EC transaction #252023 that would not fit on the form**

**Wells/Facilities, continued**

<b>Agreement</b>	<b>Lease</b>	<b>Well/Fac Name, Number</b>	<b>API Number</b>	<b>Location</b>
NMNM129331	NMNM81952	LLAMA ALL FEDERAL COM 9H	30-015-37189-00-S1	Sec 7 T22S R31E Lot 4 330FSL 430FWL
NMNM81952	NMNM81952	LLAMA ALL FED 1	30-015-28093-00-S4	Sec 7 T22S R31E SWSW 330FSL 950FWL
NMNM81952	NMNM81952	LLAMA ALL FED 4	30-015-34297-00-S1	Sec 7 T22S R31E SESW 330FSL 1650FWL
NMNM81952	NMNM81952	LLAMA ALL FEDERAL 10H	30-015-37190-00-S1	Sec 7 T22S R31E SESW 330FSL 1980FWL
NMNM81952	NMNM81952	LLAMA ALL FEDERAL 5	30-015-34298-00-S1	Sec 7 T22S R31E SWSE 330FSL 1650FEL

**32. Additional remarks, continued**

Royalty values will not be affected by this commingle.

## **Continuation of amendment for Llama ALL Federal Com #9H Surface/Lease Commingle**

### **Oil Measurement**

Each of the wells are equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Llama ALL Federal #1. 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.

### **Gas Measurement**

Each of the wells are equipped with allocation meters for gas prior to commingling and the BLM point of measurement for this commingled production is at Agave's CDP meter #214290 located at Llama ALL Federal #1.

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 built separate facilities for each well.

**Attachment to the amendment for Llama ALL Federal Com #9H Surface/Lease (CA) commingle application**

**Federal Lease #NM-81952**

<u>Well name</u>	<u>Field/Pool</u>	<u>BOPD</u>	<u>Grav.</u>	<u>MCFPD</u>	<u>BTU</u>
Llama ALL Federal #1 Sec. 7-T22S-R31E, SWSW API #30-015-28093 Eddy County, NM	Cabin Lake; Delaware	54	37.8	35	1071
Llama ALL Federal #4 Sec. 7-T22S-R31E, SESW API #30-015-34297 Eddy County, NM	Cabin Lake; Delaware	14	39.0	42	1351
Llama ALL Federal #5 Sec. 7-T22S-R31E, SWSE API #30-015-34298 Eddy County, NM	Cabin Lake; Delaware	13	40.0	30	1369
Llama ALL Federal #10H Sec. 7-T22S-R31E, SESW API #30-015-37190 Eddy County, NM	Cabin Lake; Delaware	61	38.8	293	1500

*069509*

**Federal Lease #NM-81952 & LC-~~69509~~, CA #NM-129331**

<u>Well name</u>	<u>Field/Pool</u>	<u>BOPD</u>	<u>Grav.</u>	<u>MCFPD</u>	<u>BTU</u>
Llama ALL Federal Com #9H Sec. 7-T22S-R31E, lot 4 API #30-015-37189 Eddy County, NM	Cabin Lake; Delaware	75	42	86	1471

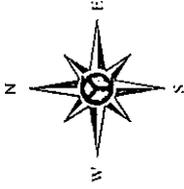


105 South 4th Street • Artesia, NM 88210  
(575) 748-1471

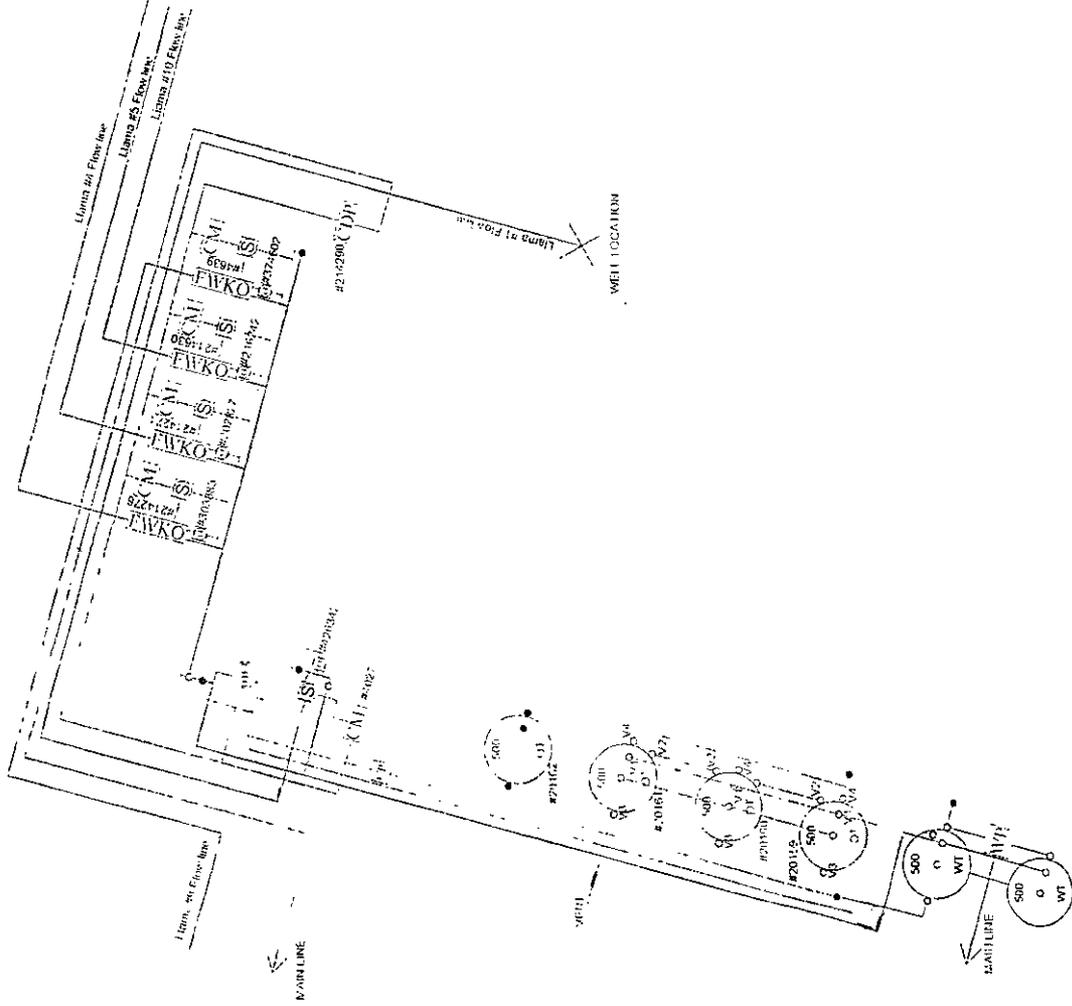
-Joe Palma  
-January, 2016

# Llama ALL Federal #1H

330' FSL & 950' FWL \* Sec 7 - T22S-R31E\* Unit M  
Lea County, NM  
API - 3001528093



- Valve Closed
- Valve Opened
- [VRL] = Vapor Recovery Unit
- [CDP] = Central Delivery Point
- [WP] = Water Pump
- [CM] = Check Meter
- [FWKO] = 1.5" Vapor Knock Out
- [S] = Separator
- [FM] = Flare Meter
- [C] = Calculating Pump
- [O] = Oil "Hydramatic" Meter
- [H] = Header Header
- Valve #1 - Fill
- Valve #2 - Equalizer
- Valve #3 - Drain
- Valve #4 - Load



Stales Phase:

- Tank #20159**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20160**  
Valve 1 Tank Open  
Valve 2 Tank Open  
Valve 3 Tank Open  
Valve 4 Tank Sealed Closed
- Tank #20161**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Open  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20162**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed

Production Phase:

- Tank #20159**  
Valve 1 Tank Open  
Valve 2 Tank Open  
Valve 3 Tank Open  
Valve 4 Tank Sealed Closed
- Tank #20160**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Open  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20161**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20162**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed

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

036

NMNM 0553906

031

032

NMNM 070335

001

NMNM 105216

006

005

OBHL

OBHL

NMNM 0479142

NMLC 0069509

NMNM 081952

012

008

007

NMNM 0000300

Llama All Federal Wells

007 004 010 005 006 008 009 010 011 012 013 014 015 016 017 018 019 020 021 022 023 024 025 026 027 028 029 030 031 032 033 034 035 036 037 038 039 040 041 042 043 044 045 046 047 048 049 050 051 052 053 054 055 056 057 058 059 060 061 062 063 064 065 066 067 068 069 070 071 072 073 074 075 076 077 078 079 080 081 082 083 084 085 086 087 088 089 090 091 092 093 094 095 096 097 098 099 100

NMLC 0064827A

NMNM 089051

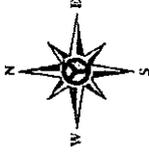
013

018

017



REGISTRY FOR NEW USES (SR 1471)  
ARTESIA, NEW MEXICO 88210



### LEGEND

- OIL WELL, PROPOSED
- ☀ GAS WELL
- OIL WELL
- GIS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE  
T22S R31E

SECTION FOOTAGE  
7

NM STATE

US BUREAU OF  
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-08-14

COUNTY: EDDY

STATE: NEW MEXICO

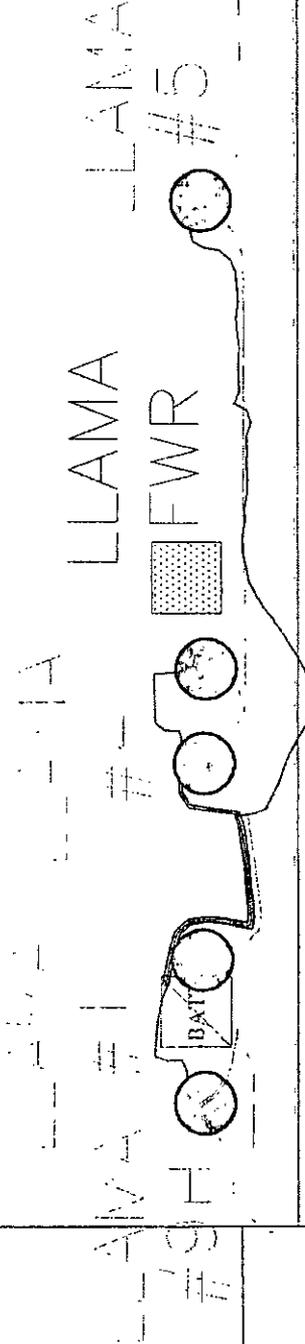
SHEET NUMBER: 1 OF 1

SCALE: 1" = 1/8 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.  
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7



**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 11/18/15 05:41 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181 Total Acres  
 Case Type 318310: O&G COMMUNITIZATION AGRMT 239.040 Serial Number  
 Commodity 410: NATURAL GAS NMNM-- - 129331  
 Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 129331

Name & Address		Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD 0.00000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATOR 100.00000000

Serial Number: NMNM-- - 129331

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0220S	0310E	006	LOTS	6,7;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0220S	0310E	007	LOTS	1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 129331

Act Date	Code	Action	Action Remarks	Pending Office
08/01/2012	387	CASE ESTABLISHED	LLAMA ALL FED COM 9H	
08/01/2012	516	FORMATION	DELAWARE	
08/01/2012	526	ACRES-FED INT 100%	239.04;100%	
08/01/2012	868	EFFECTIVE DATE		
11/03/2012	654	AGRMT PRODUCING		
01/24/2013	334	AGRMT APPROVED		

Serial Number: NMNM-- - 129331

Line Nr	Remarks			
0001	RECAPITULATION EFFECTIVE 08/01/2012			
0002	TR# LEASE SERIAL# AC COMMITTED %INTEREST			
0003	1 NM-81952 199.19 83.3290			
0004	2 LC-069509 39.85 16.6710			
0005	TOTAL 239.04 100.0000			

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PURPOSES NOT INTENDED BY BLM

Serial Register Page [Go] [Navigation icons]

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

Run Time: 12:05 PM  
Page 1 of ?

Click here to see on map

Run Date: 07/01/2014

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 1,078.960  
Serial Number NMNM-- 081952

Serial Number: NMNM-- - 081952

Name & Address	Int Rel	% Intere
ABO PETRO CORP 105 S 4TH ST ARTESIA NM 88210	LESSEE	10 00000000
ANYCO INDUSTRIES INC 105 S 4TH ST ARTESIA NM 88210	LESSEE	10 00000000
CRY Y-1 COMPANY PO BOX 21579 HOUSTON TX 77227570	LESSEE	10 00000000
YATES PETRO CORP 105 S 4TH ST ARTESIA NM 88210	LESSEE	10 00000000

Serial Number: NMNM-- - 081952

Mer Twp Rng Sec	S Typ	SN/ Sub	Subdivision	District/Field Office	County	Mgmt Agency
23 02205 0310E 006	AUG		SNELEZSW SE	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 02205 0310E 006	LOTS		1,2,3,7	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 02205 0310E 007	AUG		E2E2W2	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 02205 0310E 007	LOTS		1,3,4	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 081952

Act Date	Code	Action	Action Remark	Pending Office
06/20/1990	191	CASE ESTABLISHED	PANTEL 1990	
06/21/1991	191	SALE RECEI		
06/21/1991	191	HTO RECEIVED	842001.000	
06/21/1991	191	MINUTES RECEIVED	842001.000	
06/22/1991	111	RENTAL RECEIVED	\$1418.50/12K/91-92	
08/29/1993	237	LEASE ISSUED		
08/29/1993	974	ANTICIPATED RECORD VERIF	5877000	
08/29/1993	496	PLAT CORRE	0-145900	
08/31/1993	507	PLTY RATE - 12 1/2%		
08/31/1993	564	EFFECTIVE DATE		
08/22/1993	111	RENTAL RECEIVED	\$1418.50/12K/93170000	
01/22/1995	400	RECORDS NOTED		
02/08/1995	162	CASE MICROFILMED	CRDM 587,390	
07/13/1994	111	RENTAL RECEIVED	\$1613.50/12K/199401	
07/13/1994	111	RENTAL RECEIVED	\$1613.50/12K/199401	
08/25/1992	405	BUNDLING ACCEPTED	EEF 04/22/93/1810344	
07/12/1992	111	RENTAL RECEIVED	\$1428.50/12K/199204	
04/03/1994	176	APD FILED	YATES PETRO CASE	
04/21/1994	176	APD FILED	YATES PETRO CASE	
04/21/1994	176	APD RECEIVED	3 LLAWS ALL FOR	
08/25/1994	394	RENTAL RECEIVED BY COME	\$2185.00/12K/08080904	
08/25/1994	335	EXTENDED	TRM2 06/21/94	
11/16/1994	420	RECORDS NOTED		
11/23/1994	974	ANTICIPATED RECORD VERIF	LR	
12/03/1994	656	RELE BY PROD - ACTUAL		
12/03/1994	656	RELE BY PROD - ACTUAL		
07/12/1992	604	PLTY REDUCTION DENIED		
02/04/2005	974	ANTICIPATED RECORD VERIF	LR	
05/12/2011	440	PLAT CHANGE RECORDED	YATES O&G CONVY Y-1	
04/01/2011	246	LEASE COMMITTED TO O	CA 104.1253	

Line Nr Remarks  
Serial Number: NMNM-- - 081952  
NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/13/12 09:54 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

39.860

NMLC-- 0 069609

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMLC-- 0 069509

Name & Address	Int Rel	% Interest
CTV OG NM LLC 201 MAIN ST STE 2700	FORT WORTH TX 761023131	LESSEE 25.000000000
KEYSTONE OG NM LLC 201 MAIN ST#2700	FORT WORTH TX 76102	LESSEE 18.750000000
LMBI LP 201 MAIN ST #2700	FORT WORTH TX 761023131	LESSEE 18.750000000
SRBI OG NM LLC 201 MAIN ST #2700	FORT WORTH TX 76102	LESSEE 18.750000000
THRU LINE OG NM LLC 201 MAIN ST #2700	FORT WORTH TX 76102	LESSEE 18.750000000

Serial Number: NMLC-- 0 069509

Mer Twp Rng	Sec	Type	Nr SUFF	Subdivision	District/Resource Area	County	Mgmt Agency	
23 0220S	0310E	007		LOTS	2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC 0069509

Relinquished/Withdrawn Lands

23 0220S 0310E 706	FF	01	L1,2,6,7,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 706	FF	02	S2NE,E2SW,SE ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	01	L1,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	02	NENW,N2NE, ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	03	LOTS 3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	04	S2NE,SENW,E2SW,SE,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 718	FF	01	LOTS 1,2,3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 718	FF	02	E2,E2W2,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 719	FF	01	LOTS 1,2,3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 719	FF	02	E2,E2W2,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 730	FF	01	N2NE,SENE,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 069509

Act Date	Code	Action	Action Remarks	Pending Office
12/27/1948	124	APLN RECD		
02/01/1952	237	LEASE ISSUED		
02/01/1952	496	FUND CODE	05;145003	
02/01/1952	530	RUTY RATE - 12 1/21		
02/01/1952	868	EFFECTIVE DATE		
06/16/1953	232	LEASE COMMITTED TO UNIT	NMN70965X;JAMES RANC	
08/01/1953	553	CASE CREATED BY ASGN	OUT OF NMLC069509-A;	
11/20/1956	102	NOTICE SENT-PROD STATUS		
02/16/1962	651	HELD BY PROD - ALLOCATED	JAMES RANCH	
02/16/1962	660	MEMO OF 1ST PROD-ALLOC	JAMES RANCH	
03/05/1970	940	NAME CHANGE RECOGNIZED	RICHARDSON OIL/BASS	
09/21/1983	600	RECORDS NOTED		
07/20/1984	817	MERGER RECOGNIZED	BASS ENTPR/BASS BROS	
07/03/1985	940	NAME CHANGE RECOGNIZED	BASS BROS/BASS ENTPR	
02/04/1986	140	ASGN FILED	BASS ENTPR/SID BASS	
02/04/1986	140	ASGN FILED	SID R BASS/INC	
03/27/1986	139	ASGN APPROVED	(1)EFF 03/01/86;	

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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](http://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

July 8, 2014

RE: Amend Surface/Lease commingle  
Llama ALL Federal Com #9H  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from Bureau of Land Management and Oil Conservation Division to amend CTB-642 oil only by adding gas production.

The battery is located at the Llama ALL Federal #1.

Ownership between the #1, 4, 5, and #10H is identical; however, the #9H will have diversified ownership.

#### 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 Llama ALL Federal #1. 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.

#### Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM daily readings. The Agave's CDP meter #214290 is located at the Llama ALL Federal #1.

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

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

Sincerely,

A handwritten signature in cursive script that reads 'Miriam Morales'.

Miriam Morales  
Production Analyst

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES  
CHAIRMAN EMERITUS  
JOHN A. YATES JR.  
CHAIRMAN OF THE BOARD  
PRESIDENT

JOHN D. PERINI  
EXECUTIVE VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

RE: Amend Surface/Lease commingle oil only  
Llama ALL Federal Com #9H  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding gas production.

The commingled production will be measured and sold at battery located at the Llama ALL Federal #1.

Ownership between the #1, 4, 5, and #10H is identical; however, the #9H will have diversified ownership.

**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 Llama ALL Federal #1. 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.

**Gas Measurement**

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM daily readings. The Agave's CDP meter #214290 is located at the Llama ALL Federal #1.

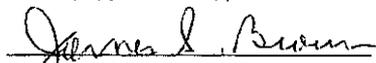
The purpose of the Surface/lease commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement or production. Without approval for utilizing existing batteries on adjacent leases, 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)

Sincerely,

Miriam Morales  
Production Analyst

I hereby approve this application

  
James S. Brown  
Yates Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS B. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S. F. YATES  
1914-2008



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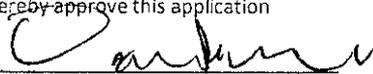
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Sincerely,

Miriam Morales  
Production Analyst

I hereby approve this application

  
Dennis G. Kinsey  
Abo Petroleum Corporation

KATHY H. PORTER  
SECRETARY

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TREASURER

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Miriam Morales  
Production Analyst

I hereby approve this application

  
MYCO Industries, INC

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

**LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS**

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

7013 2250 0000 5201 2310

GOOD EARTH MINERALS, LLC  
C/O DEBORAH L GOLUSKA  
PO BOX 1090  
ROSWELL, NM 88202-1090

7013 2250 0000 5201 2327

MATLOCK MINERALS LTD  
C/O DEBORAH L GOLUSKA  
PO BOX 1090  
ROSWELL, NM 88202-1090

7013 2250 0000 5201 2334

OCD  
1220 S SAINT FRANCIS DR  
SANTA FE, NEW MEXICO

7013 2250 0000 5201 2341

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 \_\_\_\_\_ *Miriam Morales* \_\_\_\_\_ Production Analyst \_\_\_\_\_ 2/8/14  
 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. CTB-642  
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. Cabin Lake/Delaware 08435  
(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: 7/2/14  
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**

**Llama ALL Federal #1, Llama ALL Federal #4, Llama ALL Federal #5, Llama ALL Federal #10, Llama ALL Federal Com #9  
3001528093, 3001534297, 3001534298, 3001537190, 3001537189  
Leases: NM81952, NMLC069509 NM94118 & CA: NM129331**

**Yates Petroleum Corporation**

March 23, 2016

**Condition of Approval**

**Commingling of lease and CA production, and off CA storage, measurement and sales**

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.

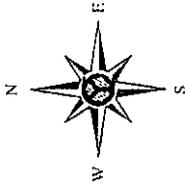


105 South 4th Street • Artesia, NM 88210  
(575) 748-1471

-Joe Palma  
-January, 2016

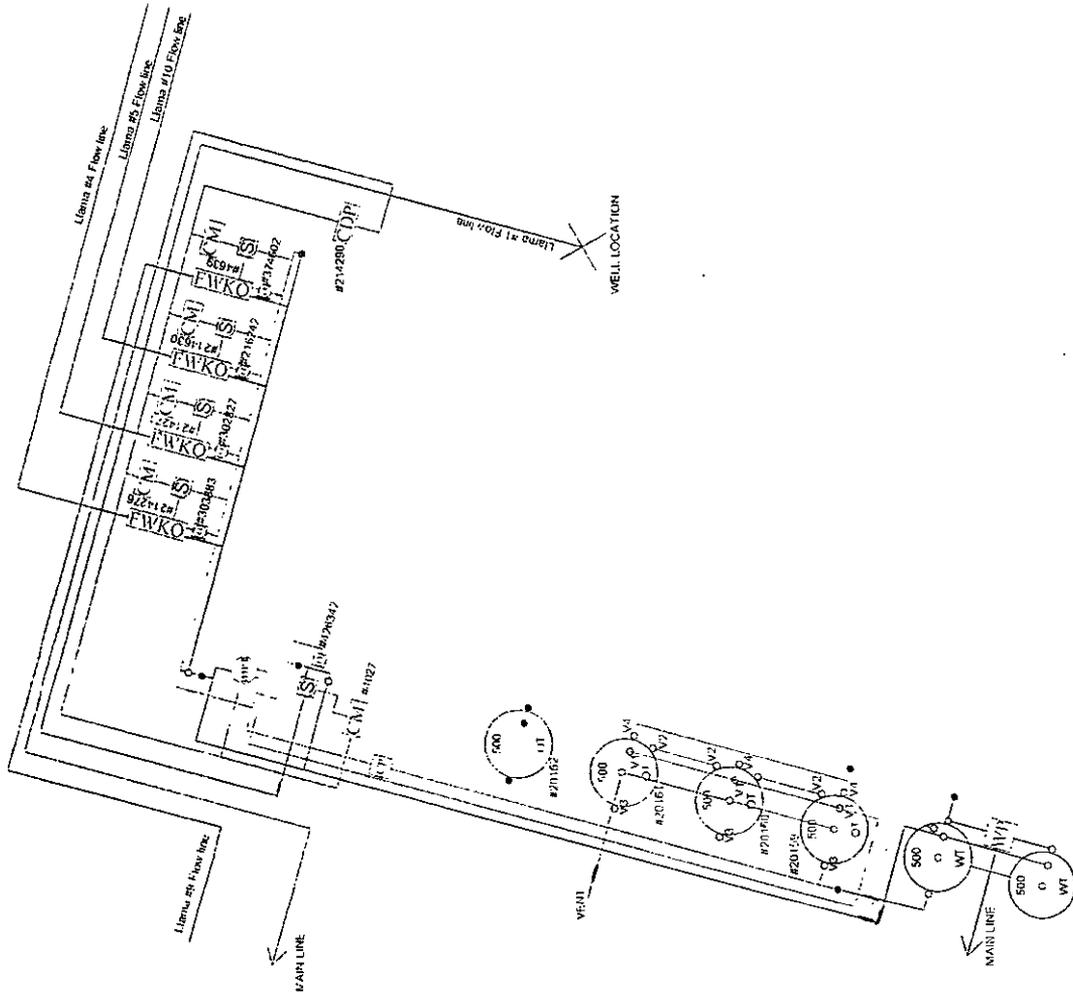
# Llama ALL Federal #1H

330' FSL & 950' FWL \* Sec 7 - T22S-R31E\* Unit M  
Lea County, NM  
API - 3001528093



- = Valve Closed
- = Valve Opened
- VRU = Vapor Recovery Unit
- CDP = Central Delivery Point
- WVP = Water Pump
- CM = Check Meter
- FWKO = Free Water Intake Out
- IS = Separator
- FM = Flame Meter
- CP = Circulating Pump
- OH = Oil "Habitat" Meter
- HT = Heater Treater

- Valve #1 - Fill
- Valve #2 - Equalizer
- Valve #3 - Drain
- Valve #4 - Load



Stakes Phase:

- Tank #20159**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20160**  
Valve 1 Tank Open  
Valve 2 Tank Open  
Valve 3 Tank Open  
Valve 4 Tank Sealed Closed
- Tank #20161**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Open  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20162**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed

Production Phase:

- Tank #20159**  
Valve 1 Tank Open  
Valve 2 Tank Open  
Valve 3 Tank Open  
Valve 4 Tank Sealed Closed
- Tank #20160**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Open  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20161**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed
- Tank #20162**  
Valve 1 Tank Sealed Closed  
Valve 2 Tank Sealed Closed  
Valve 3 Tank Sealed Closed  
Valve 4 Tank Sealed Closed

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