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Form 3160-5
(June 1990)

JUN 23 2008

HOBBSOCD

New Mexico Oil Conservation Division, District 2

1625 N. French Drive

Hobbs, NM 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 2004

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JUN 25 2010

NMOCD ARTESIA

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☐ Well ☒ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No

105 South Fourth Street, Artesia, NM 88210 (505) 7481471

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

1980' FSL & 660' FWL, Sec.6-T12S-R27E (Unit L, NWSW)

5. Lease Designation and Serial No.

NM-101580

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Grid Iron BLI Federal Com #2

9. API Well No.

30-005-64063

10. Field and Pool, or Exploratory Area

Coyote/Wolfcamp

11. County or Parish, State

Chavez County, NM

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

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other Off Lease Measurement

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing-
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request approval for off lease measurement for the following well:

Grid Iron BLI Federal Com #2
Section 6-T12S-R27E
Coyote Wolfcamp
API #30-005-64063
Chavez County, NM
Federal Lease # NM-101580

The gas and oil from the Grid Iron BLI Federal Com #2 will be measured and sold on the Football BCF Federal #2H Sec-1-T12S-R26E.

"Note: Per rancher request, this application is being filed. Well will have it's own tank and meter and all equipment is located on Federal land." No surface commingle will take place.

The off lease measurement of production is in the interest of conservation and economic feasibility, and will not result in reduced royalty or improper measurement of production.

14 I hereby certify that the foregoing is true and correct

Signed

Marilyn Rego

Title Production Secretary

Date May 24, 2010

(This space for Federal or State office use)

Approved by

Conditions of approval, if any.

/s/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

JUN 10 2010

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287
(575) 627-0272**

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling 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 to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.