

DATE IN 07/12/13	SUSPENSE	ENGINEER DRB	LOGGED IN 07/16/2013	TYPE OLM	APP NO. PAXK131973374
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED - Engineering Bureau -

1222 South St. Francis Drive, Santa Fe, NM 87505



PAXK1319733744

2013 JUL 12 P 2:13

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]

78

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

36-015-28501
 Yates Petroleum Corp.
 NDDUP 46

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Miriam Morales
 Print or Type Name

Miriam Morales
 Signature

Production Analyst
 Title

7/9/13
 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.

2003 JUL 12 P 2:13

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: Miriam Morales TITLE: Production Analyst DATE: 7/9/13

TYPE OR PRINT NAME Miriam Morales TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
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.
NMNM-557142

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other PA

7. If Unit or CA/Agreement, Name and/or No.
NMNM11025X

2. Name of Operator
Yates Petroleum Corporation

8. Well Name and No.
NNDUP Unit #46

3a. Address
105 S. 4th St., Artesia, NM 88210

3b. Phone No. (include area code)
575-748-1471

9. API Well No.
30-015-28501

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)
660' FNL & 1980' FEL Sec. 21-T19S-R25E Unit B, NWNE

10. Field and Pool or Exploratory Area
N. Seven Rivers; Glorieta-Yeso

11. County or Parish, State
Eddy County, New Mexico

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 <u>Off lease measurement</u>
	<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 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 recompletion 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 production for the NDDUP #46 (Ross EG Federal #14, possible future name).

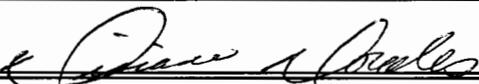
The production will be measured and sold at the Patriot AIZ tank battery facilities located at Sec. 21-T19S-25E. Please see plat and site security diagram.

A list of all owners being notified is attached as well as in house waivers.

Please see attached continuation

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

Name (Printed/Typed) **Miriam Morales** Title **Production Analyst**

Signature  Date **7/9/13**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____

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 NDDUP #46.

Oil measurement

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

Gas Measurement

The well will have its own meter and no surface commingle will take place.

All equipment is located on Fee land and waiver to access property is attached.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production

See attached economic impact report.

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.

District I
 PO Box 1988, Hobbs, NM 88240-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Grande Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-015-28501	' Pool Code 97565	' Pool Name N. Seven Rivers, Daguer Draw, Upper Penn, North	' Well Number 14
' Property Code	' Property Name ROSS EG FEDERAL COM		' Elevation 3489.
' OGRID No. 025578	' Operator Name YATES PETROLEUM CORPORATION		

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	19S	25E		660	NORTH	1980	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Ken Beardemphl</i> Printed Name: Ken Beardemphl Title: Landman Date: 3-30-95
	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: MARCH 29, 1995 Signature and Seal of Professional Surveyor:		

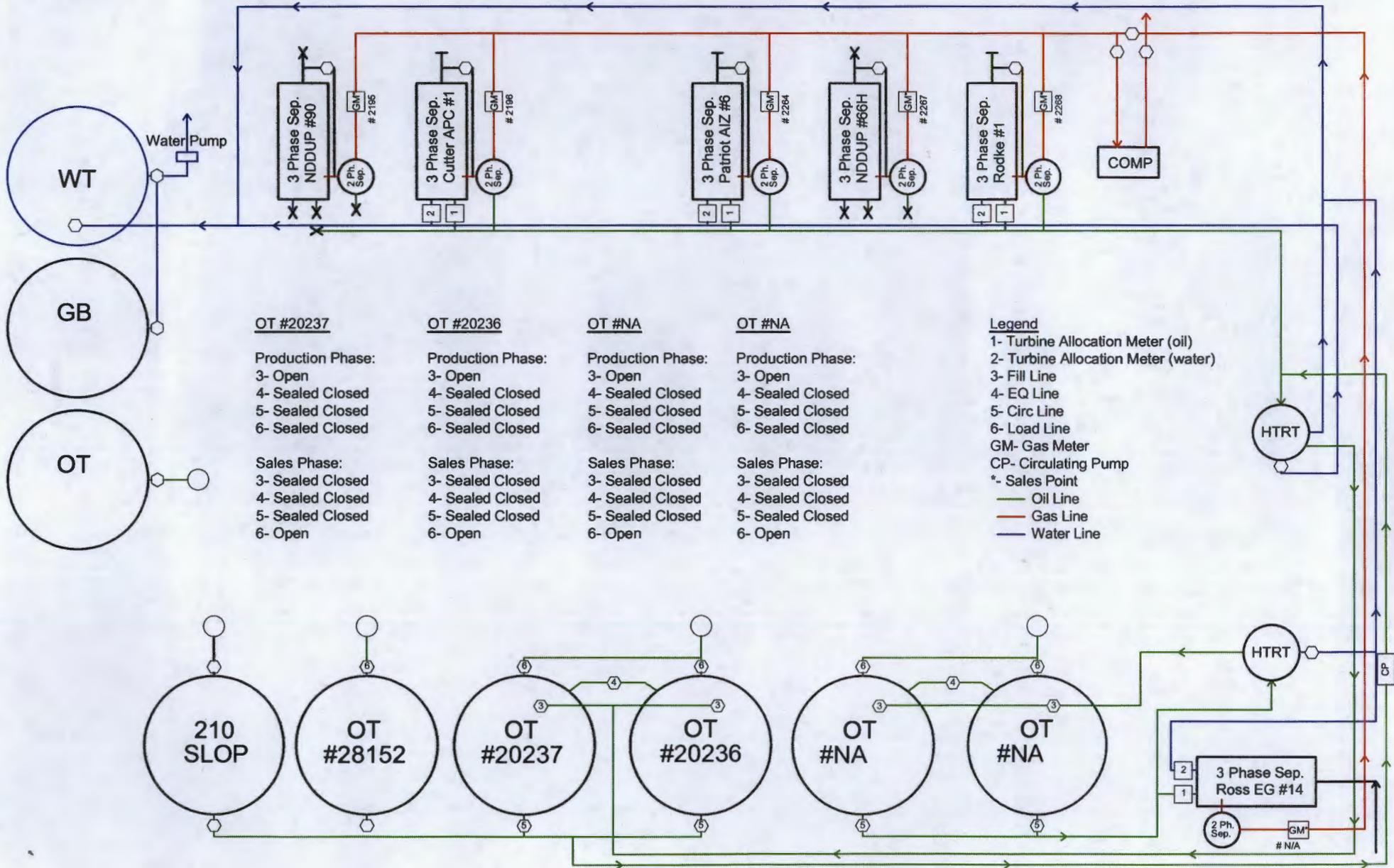


105 South 4th Street
 Artesia, NM 88210
 (575) 748-1471

Michael Farmer
 July 2013

PATRIOT / RODKE BATTERY

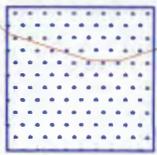
Sec 21-T19S-R25E * Unit G * SWNE
 Eddy County, NM



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

RESERVOIR

ROAD
AOY



NDDUP
UNIT #46

NDDUP
UNIT #66H



PATRIOT
BATT
OSAGE
BATT



105 SOUTH FOURTH (575) 748-1471
ARTEZIA, NEW MEXICO 88210



LEGEND

-  OIL WELL PROPOSED
-  GAS WELL
-  OIL WELL
-  GPS ROADS

-  FEDERAL MINERALS
-  NM STATE
-  US BUREAU OF LAND MANAGEMENT

DRAWN BY: JAH
DATE DRAWN: 07-05-13
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 PETROLEUM CORPORATION FROM AVAILABLE INFORMATION. YATES PETROLEUM CORPORATION DOES NOT GUARANTEE THE ACCURACY OF THIS MAP OR INFORMATION DELINEATED THEREON.

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

DATE

SURFACE RELEASE AGREEMENT

I J. T. Ross, Of the County of Eddy
in the state of NEW MEXICO, am the surface owner of the lands described
below. I do hereby give authorization to the Bureau of Land Management to enter said
lands associated with the Yates Petroleum facility listed below. I further hereby give
authorization to enter any gates and use any roadways located on surface lands owned by
me that is needed to access the location described as:

Patriot/Rodke Battery _____
Sec 21-T19S-R25E (SWNE) _____
Eddy County, NM _____

J. T. Ross

Surface Owner

P.O. Box 216
Lakewood, NM 88254

Address

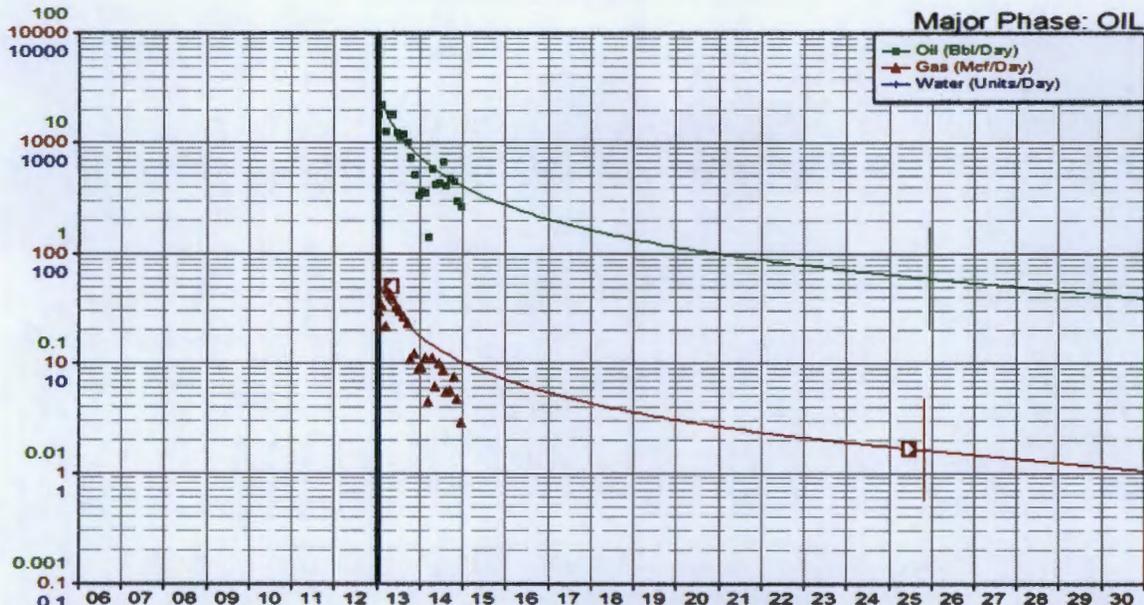
EUR FOR YPC OPERATED YESO RECOMPLETIONS OF DAGGER DRAW WELLS

The average AFE for these wells is \$377K with an estimated rate of return of 5.5% or a value of \$23,347 using the power tools generated type curve, so the cost of building a battery would have a negative value of <\$126,653>.

The type curve was generated with power tools using the wells listed below.

	OIL EUR	GAS EUR	GOR
AMOLE AMM STATE COM 2	4,783	6,838	1.43
PATRIOT AIZ 6	13,784	60,023	4.35
CUTTER APC 1	15,290	54,772	3.58
AMOLE AMM STATE COM 4	13,115	17,883	1.36
TACKITT AOT 1	6,445	12,780	1.98
ROSS EG FEDERAL 8	4,236	6,654	1.57
BOYD X STATE 12	5,303	6,529	1.23
TACKITT AOT 2	7,471	12,558	1.68
RODKE AOY 1	6,695	15,282	2.28
AVERAGE	8,569	21,480	2.16

AVERAGE DAGGER DRAW YESO RECOMPLETION
 BASED ON POWER TOOLS TYPE CURVE OF
 SYPC OPERATED DAGGER DRAW YESO RECOMPLETIONS



Major Phase: OIL

Phase	OIL	Phase	GAS	Discount Rate	Value
PSD	2/1/13	PSD	2/1/13	0	23347
Type	90,000 EXP	Type	90,000 EXP	10	-18299
Decline(%)	91,000 LAST	Decline(%)	84,000 LAST	RATE OF RETURN	
qi	25,000 LAST	qi	50,000 LAST	PAYOUT YEARS	
Limit	8.000 % 2055.000 AD	Limit	8.000 % 2055.000 AD	210	1.0 0 3200 2.0 OIL 02 01 2013
Cum(MBBL)	0	qe	X %	221	OIL 0.000 0.80 85.00 7.5 1
Remaining(MBBL)	9.049	Cum (MMcf)	0	222	GAS 0.000 0.80 2.00 7.5 0
Ultimate(MBBL)	9.049	Ultimate(MMcf)	21.677	210	INVEST 2013 AD 0 0 377 0
				211	

OGRE(R) V2.6 BTAX
 FILE NAME: DDYESO-1(1)
 CASE NAME: DD YESO RECOMPL TYPE CURVE
 101 DD YESO RECOMPL TYPE CURVE
 104 SEVEN RIVERS NORTH GLORIETA YESO
 105 YATES PETROLEUM CORPORATION

D A T A R E P O R T

DATE: 06/14/13
 TIME: 09:15:20

117 CASE \$COM
 120 1 2013 12 1 1 2013 10 M

	W.I. FRACTION	OP. COST (\$/w/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	.00	3200.00	2.000	OIL	2/01/2013

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.80000000	85.000	7.500	1.0	
222	GAS	.000	.80000000	2.000	7.500	.0	
223	WATER	.000	.00000000	.000	.000	.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT	(M OR Y)	CALC VALUE
405	OIL	90.000	91.000	25.000	X	8.000	%	D
CALC	OIL	90.000END=	8.000	25.000	.596	12.948	YRS	D 11.816 MBBL
406	OIL	EXP LAST	8.000	LAST	X	2055.000	AD	D
CALC	OIL	EXP END=	8.000	.596	.053	42.000	YRS	D 14.192 MBBL
410	GAS	90.000	84.000	50.000	X	8.000	%	D
CALC	GAS	90.000END=	8.000	50.000	1.614	12.803	YRS	D 28.940 MMCF
411	GAS	EXP LAST	8.000	LAST	X	2055.000	AD	D
CALC	GAS	EXP END=	8.000	1.614	.141	42.000	YRS	D 35.386 MMCF

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
810	INVEST	2013.000	AD	G	.000	377.000	.000	

ECONOMIC LIFE (YRS): 5.000
 GROSS OIL (MBBL): 9.049
 GROSS GAS (MMCF): 21.677

DD YESO RECOMPL TYPE CURVE

DATE: 06/14/13
 TIME: 09:15:20
 FILE: DDYESO-1
 PROP: 1
 STID: BASE
 .CMD: CURRENT:
 .OUT: SAMPLE

SEVEN RIVERS NORTH GLORIETA YESO

RESERVES AND ECONOMICS

YATES PETROLEUM CORPORATION

AS OF JANUARY 1, 2013

-END- MO-YR	---GROSS PRODUCTION---			---NET PRODUCTION---			---PRICES---		-----OPERATIONS, M\$-----			CAPITAL COSTS, M\$	CASH FLOW BTAX, M\$	10.00 PCT CUM. DISC BTAX, M\$	
	OIL, MBBL	GAS, MMCF	MMCF	OIL, MBBL	GAS, MMCF	MMCF	OIL \$/B	GAS \$/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES				
12-13	4.338	9.687		3.470	7.750		85.00	2.00	310.450	29.027	35.200	377.000	-130.777	-143.166	
12-14	1.974	4.903		1.579	3.922		85.00	2.00	142.059	13.282	38.400	.000	90.377	-64.829	
12-15	1.208	3.096		.966	2.477		85.00	2.00	87.064	8.141	38.400	.000	40.523	-32.897	
12-16	.863	2.242		.690	1.794		85.00	2.00	62.238	5.819	38.400	.000	18.019	-19.989	
12-17	.666	1.749		.533	1.399		85.00	2.00	48.103	4.498	38.400	.000	5.205	-16.599	
S TOT	9.049	21.677		7.238	17.342		85.00	2.00	649.914	60.767	188.800	377.000	23.347	-16.599	
REM.	.000	.000		.000	.000		.00	.00	.000	.000	.000	.000	.000	-16.599	
TOTAL	9.049	21.677		7.238	17.342		85.00	2.00	649.914	60.767	188.800	377.000	23.347	-16.599	
CUM.	.000	.000													
ULT.	9.049	21.677													
									NET OIL REVENUES (M\$)		615.230	-----PRESENT WORTH PROFILE-----			
									NET GAS REVENUES (M\$)		34.684	DISC RATE	PW OF NET BTAX, M\$	DISC RATE	PW OF NET BTAX, M\$
									TOTAL REVENUES (M\$)		649.914				
									PROJECT LIFE (YEARS)		5.000		23.347	30.0	-72.601
									DISCOUNT RATE (PCT)		10.000		14.467	35.0	-83.311
									LIFE		1.000		2.039	40.0	-93.073
									GROSS OIL WELLS		.000		-9.432	45.0	-102.011
									GROSS GAS WELLS		1.000		-16.599	50.0	-110.230
									GROSS WELLS		1.000		-23.419	60.0	-124.843
									INITIAL NET OIL FRACTION		.800000		-33.049	70.0	-137.466
									FINAL NET OIL FRACTION		.800000		-42.026	80.0	-148.497
									INITIAL NET GAS FRACTION		.800000		-47.680	90.0	-158.236
									FINAL NET GAS FRACTION		.800000		-60.785	100.0	-166.911
WATER GROSS PROD. (MU)				.000	WATER NET PRODUCTION (MU)				.000	WATER NET REVENUES (M\$)				.000	

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

July 9, 2013

RE: Off Lease Measurement
NDDUP Unit #46
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to off lease measure production from the NDDUP unit #46.

The production will be measured and sold at the Patriot AIZ tank battery facilities located at Sec. 21-T19S-25E.

Oil measurement

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

Gas Measurement

The well will have its own meter and no surface commingle will take place.

All equipment is located on Fee land and waiver to access property will be sent to BLM.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

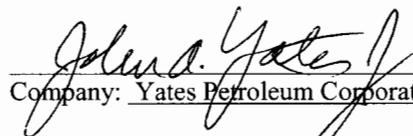
We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

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: Yates Petroleum Corporation

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.
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By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

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.

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: MYCO Industries, Inc.

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

July 9, 2013

RE: Off Lease Measurement
NDDUP Unit #46
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to off lease measure production from the NDDUP unit #46.

The production will be measured and sold at the Patriot AIZ tank battery facilities located at Sec. 21-T19S-25E.

Oil measurement

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

Gas Measurement

The well will have its own meter and no surface commingle will take place.

All equipment is located on Fee land and waiver to access property will be sent to BLM.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

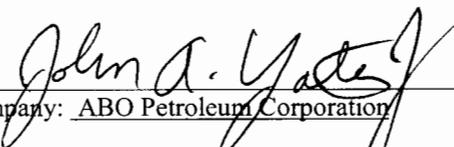
We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

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: ABO Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985
FRANK W. YATES
1936-1986
S.P. YATES
1914-2008



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July 9, 2013

RE: Off Lease Measurement
NDDUP Unit #46
Eddy County, New Mexico

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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: SHARBRO Energy, LLC

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

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CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

July 9, 2013

RE: Off Lease Measurement
NDDUP Unit #46
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to off lease measure production from the NDDUP unit #46.

The production will be measured and sold at the Patriot AIZ tank battery facilities located at Sec. 21-T19S-25E.

Oil measurement

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

Gas Measurement

The well will have its own meter and no surface commingling will take place.

All equipment is located on Fee land and waiver to access property will be sent to BLM.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

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.

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,

A handwritten signature in cursive script, appearing to read 'Miriam Morales'.

Miriam Morales
Production Analyst



YATES BUILDING - 105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

CERTIFIED MAIL™



7012 3460 0001 7460 0313
7012 3460 0001 7460 0313

ADDRESS SERVICE REQUESTED

Sent To
Street, Apt. No.,
or PO Box No. NEARBURG EXPLORATION CO LLC
City, State, ZIP+4 P O BOX 678100
DALLAS, TX 75267-8100
PS Form 3800, August 2005 See Reverse for Instructions

Postage	\$	U.S. Postal Service CERTIFIED MAIL™ RECEIPT (Domestic Mail Only - No Insurance Coverage Provided) For delivery information visit our website at www.usps.com® Vision E Prod.
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

EXPLORATION CO LLC
78100
75267-8100

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> X <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
1. Article Addressed to: NEARBURG EXPLORATION CO LLC P O BOX 678100 DALLAS, TX 75267-8100	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
2. Article Number (Transfer from s) 7012 3460 0001 7460 0313	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

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YATES BUILDING - 105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

7012 3460 0001 7460 0795
7012 3460 0001 7460 0795

ADDRESS SERVICE REQUESTED

Sent To
Street, Apt. No.,
or PO Box No. TULIPAN LLC
105 S 4TH STREET
City, State, Zip+ ARTESIA, NM 88210
PS Form 3800, August 2006 See Reverse for Instructions

Postage	\$	For delivery information visit our website at www.usps.com NNDP # 46 92nd AL 4/6/13 Please proof.
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

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STREET
NM 88210

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1. Article Addressed to: TULIPAN LLC 105 S 4 TH STREET ARTESIA, NM 88210	B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from st) 7012 3460 0001 7460 0795	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

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YATES BUILDING - 105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210



7012 3460 0001 7460 0788
7012 3460 0001 7460 0788

ADDRESS SERVICE REQUESTED

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See Reverse for Instructions

Sent To
Street, Apt. No.
or PO Box No.
City, State, Zip
P O BOX 1020
ARTESIA, NM 88211-1020

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

W. name not.

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WDDP 4/16/06 P O BOX 1020 ARTESIA NM 88211-1020

ADO LLLP
20
M 88211-1020

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OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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<p>1. Article Addressed to:</p> <p>SANTO LEGADO LLLP P O BOX 1020 ARTESIA, NM 88211-1020</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from s) 7012 3460 0001 7460 0788</p>		<p>4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes</p>	

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ARTESIA, NEW MEXICO 88210

7012 3460 0001 7460 0306
7012 3460 0001 7460 0306

ADDRESS SERVICE REQUESTED

PS Form 3800, August 2006 See Reverse for Instructions

Sent to
Street, Apt. No.,
or PO Box No. MARI GOLD LLLP
City, State, ZIP+4 P O BOX 1290
ARTESIA, NM 88211-1290

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

ND DP 496 OLM 5/10/13

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OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

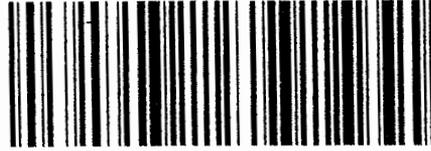
<p>SENDER: COMPLETE THIS SECTION</p> <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p>MARI GOLD LLLP P O BOX 1290 ARTESIA, NM 88211-1290</p>	<p>COMPLETE THIS SECTION ON DELIVERY</p> <p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from s) 7012 3460 0001 7460 0306</p>	



YATES BUILDING - 105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7012 3460 0001 7460 0290
7012 3460 0001 7460 0290

Sent To
Street, Apt. No.,
or PO Box No. P O BOX 1091
City, State, ZIP+4 ARTESIA, NM 88211-1091
PS Form 3800, August 2006 See Reverse for Instructions

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Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$

Postmark Here

Handwritten: *Yates Petroleum*

JUSTIES LLC
91
M 88211-1091

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

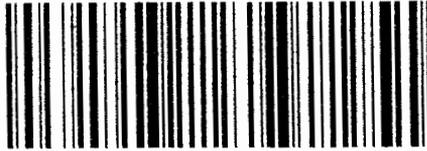
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<p>1. Article Addressed to:</p> <p>YATES INDUSTIES LLC P O BOX 1091 ARTESIA, NM 88211-1091</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from s 7012 3460 0001 7460 0290)</p>	<p>4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes</p>

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ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



7012 3460 0001 7460 0801
7012 3460 0001 7460 0801

U.S. Postal Service™ RECEIPT
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For delivery information visit our website at www.usps.com

ADDRESSEE: OXY-Y-1 COMPANY
MINNAPOLIS, MN

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$

Sent To: OXY-Y-1 Company
Street, Apt. No.: P.O. Box 841803
or PO Box No.
City, State, ZIP+4: Dallas, TX 75284-1803

PS Form 3800, August 2005 See Reverse for Instructions

Company
803
5284-1803

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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<p>1. Article Addressed to:</p> <p>OXY-Y-1 Company P.O. Box 841803 Dallas, TX 75284-1803</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from se) 7012 3460 0001 7460 0801</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>