

3/18/2014 DATE IN	SUSPENSE	MAM ENGINEER	3/24/2014 LOGGED IN	CTB TYPE	PMAM1408341754 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]**

-CTB  
473-B

**[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 \_\_\_\_\_

2014 MAR 18 A 2:15  
RECEIVED

- Yates Petroleum  
Corp  
25575  
- Wells

**[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

- Arrol & Arrol State  
# Com #4  
30-015-28542  
- Boyd X State #12  
30-015-28738  
- Boyd X State #10  
30-015-28541  
- Boyd X State #11  
30-015-28557

**[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

3/13/14  
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-473A

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. N. Seven Rivers; Glorieta-Yeso 97565

(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: 3/13/14

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

E-MAIL ADDRESS: mmorales@yatespetroleum.com

Submit 1 Copy To Appropriate District  
Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-015-28738
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-10167
7. Lease Name or Unit Agreement Name Boyd X State
8. Well Number 12
9. OGRID Number 025575
10. Pool name or Wildcat N. Seven Rivers; Glorietta-Yeso
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3469' GR

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Yates Petroleum Corporation

3. Address of Operator  
105 S. Fourth Street Artesia, NM 88210

4. Well Location  
Unit Letter H : 1880 feet from the North line and 660 feet from the East line  
Section 16 Township 19S Range 25E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3469' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Amend Surface/Lease Commingle CTB-473A ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum respectfully requests administrative approval to amend Surface/Lease Commingle order #CTB-473A to include the following wells:

Amole AMM State Com #4  
N. Seven Rivers; Glorietta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28542  
St. Lease #LG-864  
Eddy County, NM

Boyd X State #12  
N. Seven Rivers; Glorietta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28738  
St. Lease #E-10167  
Eddy County, NM

Boyd X State #10  
N. Seven Rivers; Glorietta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28541  
St. Lease #E-10167  
Eddy County, NM

Boyd X State #11  
N. Seven Rivers; Glorietta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28557  
St. Lease #E-10167  
Eddy County, NM

The battery is located at the Boyd X #10, Sec. 16-T19S-R25E, SWSE. Please see attached plats and site security diagram.

The ownership is diversified. All owners have been notified the letter and all the certified receipts are attached.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the battery. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Amole #4 is 7 bbls, for the Boyd #12 is 2 bbls, for the Boyd X #11 is 27 bbls and for the Boyd X #10 is 21 bbls.

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. This will increase costs and shorten the economic life of the well.

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 3/13/14

Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-28542	<sup>2</sup> Pool Code 97565	<sup>3</sup> Pool Name N. Seven Rivers; Glorieta-Yeso
<sup>4</sup> Property Code 34689	<sup>5</sup> Property Name <del>NDDUP Unit</del> Amole AMM state Co.	<sup>6</sup> Well Number 24
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3476'GR

**<sup>10</sup> Surface Location**

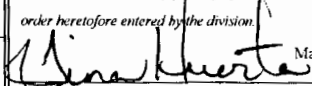
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	16	19S	25E		1980	South	660	East	Eddy

**<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<div style="text-align: center;"> <b>RECEIVED</b> MAR 11 2011 NMOCD ARTESIA         </div>	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <div style="display: flex; justify-content: space-between;"> <div>             Signature         </div> <div>March 10, 2011 Date</div> </div> <div>           Tina Huerta            Printed Name         </div> <div>           tinah@yatespetroleum.com            E-mail Address         </div>	
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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 Signature and Seal of Professional Surveyor:	
	Certificate Number	

660'E  
 1980'S

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1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-28738	<sup>2</sup> Pool Code 97565	<sup>3</sup> Pool Name N. Seven Rivers; Glorieta-Yeso /
<sup>4</sup> Property Code 34689	<sup>5</sup> Property Name NDDUP Unit <i>Boyd X State</i>	<sup>6</sup> Well Number <del>20</del> 12
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3469'GR

<sup>10</sup> Surface Location

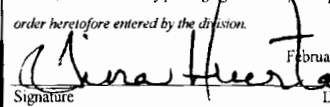
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	16	19S	25E		1880	North	660	East	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<div data-bbox="475 1045 784 1243" style="border: 2px solid black; padding: 5px; text-align: center;"> <b>RECEIVED</b>  <b>FEB 24 2011</b>  <b>NMOCD ARTESIA</b> </div>	<div data-bbox="925 1092 966 1218" style="writing-mode: vertical-rl; transform: rotate(180deg);">1880' N</div>	<div data-bbox="966 1354 1057 1396" style="text-align: center;">660' E</div>	<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="display: flex; justify-content: space-between;"> <div>             Signature         </div> <div>           February 22, 2011            Date         </div> </div> <div style="margin-top: 10px;">           Tina Huerta            Printed Name         </div> <div style="margin-top: 10px;">           tina@yatespetroleum.com            E-mail Address         </div>
			<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>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.</i>
			Date of Survey Signature and Seal of Professional Surveyor:
			Certificate Number

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-28541	<sup>2</sup> Pool Code 97565	<sup>3</sup> Pool Name N. Seven Rivers; Glorieta-Yeso
<sup>4</sup> Property Code	<sup>5</sup> Property Name Boyd X State	<sup>6</sup> Well Number 10
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3492'GL

### <sup>10</sup> Surface Location

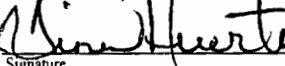
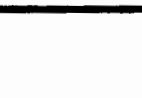
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	16	19S	25E		660	South	1980	East	Eddy

## " 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
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<div style="border: 2px solid black; padding: 5px; text-align: center; margin: 0 auto; width: 80%;"> <b>RECEIVED</b>  AUG 08 2013  <b>NMOCD ARTESIA</b> </div>	<p><b>17 OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 70%;">   Signature </div> <div style="width: 25%; text-align: center;"> August 7, 2013  Date </div> </div> <div style="margin-top: 10px;"> Tina Huerta  Printed Name </div> <div style="margin-top: 10px;"> tina.h@vatespetroleum.com  E-mail Address </div>
	<p><b>18 SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <div style="margin-top: 10px;"> Date of Survey </div> <div style="margin-top: 10px;"> Signature and Seal of Professional Surveyor: </div>
<div style="text-align: center; margin-top: 100px;">   60'S </div>	<div style="margin-top: 100px; text-align: center;"> 1980'E </div> <div style="margin-top: 10px;"> Certificate Number </div>

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

FEB 28 2013

ARTESIA

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-28557	<sup>2</sup> Pool Code 97565	<sup>3</sup> Pool Name N. Seven Rivers; Glorieta-Yeso
<sup>4</sup> Property Code 34689	<sup>5</sup> Property Name <del>NDDUP Unit</del> Boy's X State	<sup>6</sup> Well Number 44 11
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3485' GL

<sup>10</sup> Surface Location

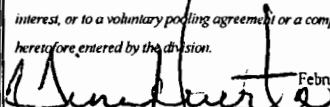
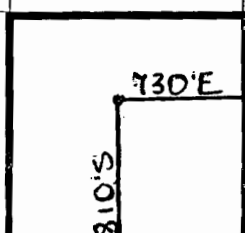
UL or lot no. P	Section 16	Township 19S	Range 25E	Lot Idn	Feet from the 810	North/South line South	Feet from the 730	East/West line East	County Eddy
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<sup>16</sup>				<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> February 26, 2013 Signature Date</p> <p>Tina Huerta Printed Name</p> <p>tinah@yatespetroleum.com E-mail Address</p>
				<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p></p> <p>Certificate Number</p>





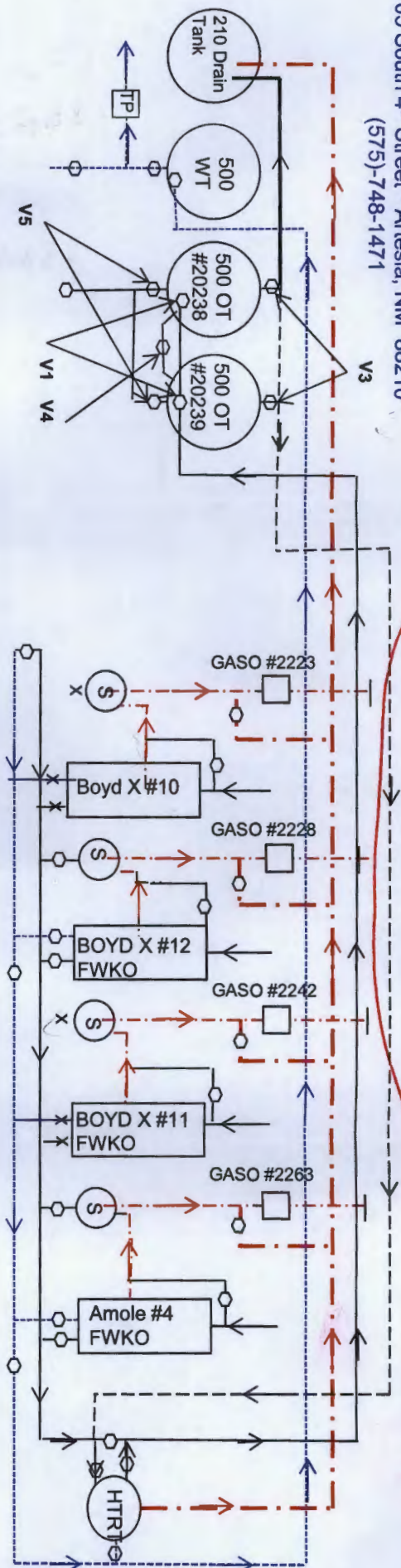
105 South 4th Street \* Artesia, NM 88210  
(575)-748-1471

# BOYD X #10 & #12 BATTERY

Sec 16 - T19S - R25E \* Unit O \* SWSE  
Eddy, New Mexico

*CJB*

-Michael Farmer  
-February, 2014



Production System - open

Oil Tank description as : by tank gauge to tank truck.

Seal requirements:

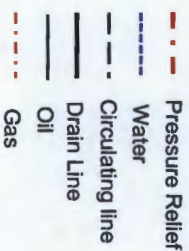
I Production Phase - OT 28913

II. Sales Phase OT 28913

- (1) V1 open
- (2) V4 open
- (3) V5 sealed closed
- (4) V3 sealed open or closed
- (5) Valves on OT 28914 position

- (1) V1 sealed closed
- (2) V4 sealed closed
- (3) V5 opened
- (4) V3 sealed closed
- (5) Valves on OT 28914 positioned

- A. V1 closed
- B. V5 sealed closed
- C. V3 sealed closed
- D. V3 sealed open or closed



N  
↑

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



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

JOHN A. YATES  
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.  
PRESIDENT

JOHN D. PERINI  
EXECUTIVE V.P. OF MONETIZATION  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

RE: Amend Surface Lease Commingle  
Boyd X State #10, 11, 12 and Amole #4  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to Surface Lease Commingle order #CTB-473A to include the following wells:

Amole AMM State Com #4  
N. Seven Rivers; Glorieta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28542  
St. Lease #LG-864  
Eddy County, NM

Boyd X State #12  
N. Seven Rivers; Glorieta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28738  
St. Lease #E-10167  
Eddy County, NM

Boyd X State #10  
N. Seven Rivers; Glorieta-Yeso  
Sec. 16-T19S-25E  
API #30-015-28541  
St. Lease #E-10167  
Eddy County, NM

Boyd X State #11  
N. Seven Rivers; Glorieta-Yeso  
Sec. 16-T19S-R25E  
API #30-015-28557  
St. Lease #E-10167  
Eddy County, NM

The battery is located at the Boyd X battery, Sec. 16-T19S-R25E, SWSE.  
The ownership is diversified.

#### Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the battery. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Amole #4 is 7 bbls, for the Boyd #12 is 2 bbls, for the Boyd X #11 is 27 bbls and for the Boyd X #10 is 21 bbls.

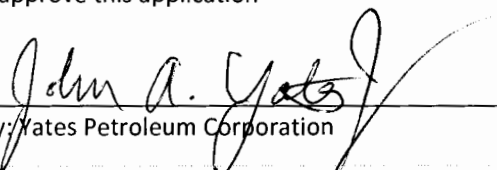
The purpose of the surface/lease commingle of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will increase costs and shorten the economic life of the well.

If you have any questions, please contact 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

JOHN A. YATES  
CHAIRMAN OF THE BOARD

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JOHN D. PERINI  
EXECUTIVE V.P. OF MONETIZATION  
CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

March 14, 2014

RE: Amend Surface Lease Commingle  
Boyd X State #10, 11, 12 and Amole #4  
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division and the State Land Office to amend Surface Lease Commingle order #CTB-473A to include the following wells:

Amole AMM State Com #4	Boyd X State #12	Boyd X State #10	Boyd X State #11
N. Seven Rivers; Glorieta-Yeso	N. Seven Rivers; Glorieta-Yeso	N. Seven Rivers; Glorieta-Yeso	N. Seven Rivers; Glorieta-Yeso
Sec. 16-T19S-R25E	Sec. 16-T19S-R25E	Sec. 16-T19S-25E	Sec. 16-T19S-R25E
API #30-015-28542	API #30-015-28738	API #30-015-28541	API #30-015-28557
St. Lease #LG-864	St. Lease #E-10167	St. Lease #E-10167	St. Lease #E-10167
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM

The battery is located at the Boyd X battery, Sec. 16-T19S-R25E, SWSE.  
The ownership is diversified.

#### Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the battery. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Amole #4 is 7 bbls, for the Boyd #12 is 2 bbls, for the Boyd X #11 is 27 bbls and for the Boyd X #10 is 21 bbls.

The purpose of the surface/lease commingle of production is in the interest of conservation, economic feasibility, 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. This will increase costs and shorten the economic life of the well.

Any objections 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 notifications to owners.

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

Sincerely,

Miriam Morales  
Production Analyst

# CERTIFIED MAIL™



YATES BUILDING - 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED



7013 2630 0002 0641 1060

7013 2630 0002 0641 1060

Sent to  
Elizabeth J. Norman Trust  
Street Apt. No.,  
or PO Box No. 6637-5, New Haven Ave.  
City, State, ZIP+4  
Tulsa OK 74136  
PS Form 3800, August 2005 See Reverse for Instructions

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

Postmark  
Here

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NORMAN  
T  
HAVEN AVE  
4136

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OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

## SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

ELIZABETH J NORMAN  
LIVING TRUST  
6637 S NEW HAVEN AVE  
TULSA, OK 74136

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number  
(Transfer from st)

7013 2630 0002 0641 1060

PS Form 3811, July 2013

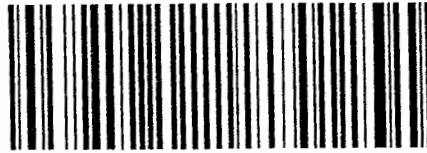
Domestic Return Receipt



YATES BUILDING - 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7013 2630 0002 0641 2500

7013 2630 0002 0641 2500

Sent To: Unit Petroleum Co  
Street, Apt. No.: 10 Box 702500  
or PO Box No.:  
City, State, ZIP+4: Tulsa, OK 74170  
PS Form 3800, August 2006 See Reverse for Instructions

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

Postmark Here

Boyd & Co. Inc. 4175 Alameda Blvd. Tulsa, OK 74114

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LEUM COMPANY  
500  
4170-2500

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- 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.

1. Article Addressed to:

UNIT PETROLEUM COMPANY  
P O BOX 702500  
TULSA, OK 74170-2500

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail™

☐ Priority Mail Express™

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

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2. Article Number  
(Transfer from se)

7013 2630 0002 0641 2500



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

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7013 2630 0002 0641 2494

7013 2630 0002 0641 2494

Sent to: Frances B Bunn  
Street, Apt. No.: 2493 Makiki Heights Dr  
or PO Box No.:  
City, State, ZIP+4: Honolulu HI 96822  
PS Form 3800, August 2005 See Reverse for Instructions

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

Postmark  
Here

For delivery information visit our website at www.usps.com®  
BPPC #13-473A (unpaid) \$1.14  
L. H. Bunn

U.S. Postal Service™  
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ES B BUNN  
REVOCABLE LIVING TRUST  
1441 MAKIKI HEIGHTS DR  
HONOLULU, HI 96822-2547

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

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

FRANCES B BUNN  
REVOCABLE LIVING TRUST  
2493 MAKIKI HEIGHTS DR  
HONOLULU, HI 96822-2547

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail® ☐ Priority Mail Express™  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from s)

7013 2630 0002 0641 2494

PS Form 3811, July 2013

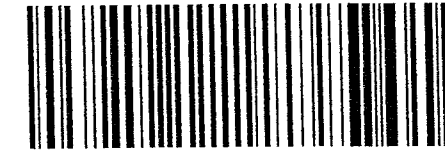
Domestic Return Receipt

**CERTIFIED MAIL™**



YATES BUILDING — 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED



7013 2630 0002 0641 1077

7013 2630 0002 0641 1077

Sent To  
Street, Apt. No.,  
or PO Box No. *PO Box 650823*  
City, State, ZIP+4 *Dallas TX 75265*  
PS Form 3800, August 2006 See Reverse for Instructions

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

Postmark  
Here

*Handwritten: Paid 1/8/07 10:41 AM Dallas TX*

**U.S. Postal Service™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

G EXPLORATION CO LLC  
ENT #41530  
50823  
75265

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

**SENDER: COMPLETE THIS SECTION**

- 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.

1. Article Addressed to:

NEARBURG EXPLORATION CO LLC  
DEPARTMENT #41530  
P O BOX 650823  
DALLAS, TX 75265

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

**X**

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail®

☐ Priority Mail Express™

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☐ Insured Mail

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from se)

7013 2630 0002 0641 1077

PS Form 3811, July 2013

Domestic Return Receipt





MPSD821

## Inquire/Update Production History

4/04/14  
12:25:06

Property . . . . . 011848 004 AMOLE AMM STATE #4

Production Date Range . . . . 00 0000 to 04 2014

Type options, press Enter.

2=Edit 4=Delete 5=Display

O	P	Prod	Well	API	Reg	-----Oil-----		-----Gas-----		-Water-
T	Mo/Year		Name	Cpl	Dys Prd	Produced	Sold	Produced	Sold	Prod
[	2	2014	AMOLE AMM STATE	S02	28	155	130	266	231	504
[	1	2014	AMOLE AMM STATE	S02	31	190	200	308	308	558
[	12	2013	AMOLE AMM STATE	S02	31	245	205	394	355	777
[	11	2013	AMOLE AMM STATE	S02	30	236	190	167	129	2410
[	10	2013	AMOLE AMM STATE	S02	16	107	125	66	66	1227
[	9	2013	AMOLE AMM STATE	S02	24	147	160	242	242	663
[	8	2013	AMOLE AMM STATE	S02	31	251	481	453	415	635
[	7	2013	AMOLE AMM STATE	S02	30	334	418	495	417	3753
[	6	2013	AMOLE AMM STATE	S02	18	399	281	313	238	1247
[	5	2013	AMOLE AMM STATE	S02	31	165		78		2162

F3=Exit F6=Add F10=Totals F11=Expand/Compress F12=Previous F15=Print

MPSD821

## Inquire/Update Production History

4/04/14  
12:25:45

Property . . . . . 015930 010 BOYD X STATE #10  
 Production Date Range . . . . 00 0000 to 04 2014

Type options, press Enter.

2=Edit 4=Delete 5=Display

O	P	Prod	Well	API	Reg	-----Oil-----		-----Gas-----		-Water-
T	Mo/Year	Name	Cpl	Dys	Prd	Produced	Sold	Produced	Sold	Prod
[	2	2014	BOYD X STATE #1	S02	28	284	230	768	768	793
[	1	2014	BOYD X STATE #1	S02	31	333	338	992	992	966
[	12	2013	BOYD X STATE #1	S02	31	350	322	894	894	1156
[	11	2013	BOYD X STATE #1	S02	30	416	400	179	179	2781
[	10	2013	BOYD X STATE #1	S02	27	587	619	722	683	2494
[	9	2013	BOYD X STATE #1	S02	28	623	596	2427	2389	1831
[	8	2013	BOYD X STATE #1	S02	29	1336	1184	2145	2107	4839
[	7	2013	BOYD X STATE #1	S1						
[	6	2013	BOYD X STATE #1	S1						
[	5	2013	BOYD X STATE #1	S1						

F3=Exit F6=Add F10=Totals F11=Expand/Compress F12=Previous F15=Print

MPSD821

## Inquire/Update Production History

4/04/14  
12:25:54

Property . . . . . 015930 011 BOYD X STATE #11  
 Production Date Range . . . . 00 0000 to 04 2014

Type options, press Enter.

2=Edit 4=Delete 5=Display

O	P	Prod	Well	API	Reg	-----Oil-----		-----Gas-----		-Water-
T	Mo/Year	Name	Cpl	Dys	Prd	Produced	Sold	Produced	Sold	Prod
[	2	2014	BOYD X STATE #1	S02	28	314	269			891
[	1	2014	BOYD X STATE #1	S02	31	400	430			1105
[	12	2013	BOYD X STATE #1	S02	31	498	455			1671
[	11	2013	BOYD X STATE #1	S02	30	575	559	210	210	1545
[	10	2013	BOYD X STATE #1	S02	31	854	902	353	314	3606
[	9	2013	BOYD X STATE #1	S02	29	963	881	406	368	2713
[	8	2013	BOYD X STATE #1	S02	29	1569	1390	405	367	6095
[	7	2013	BOYD X STATE #1	S1	1			4	4	
[	6	2013	BOYD X STATE #1	S1						
[	5	2013	BOYD X STATE #1	S1						

F3=Exit F6=Add F10=Totals F11=Expand/Compress F12=Previous F15=Print

MPSD821

## Inquire/Update Production History

4/04/14

12:25:31

Property . . . . . 015930 012 BOYD X STATE #12

Production Date Range . . . . 00 0000 to 04 2014

Type options, press Enter.

2=Edit 4=Delete 5=Display

O	P	Prod	Well	API	Reg	-----Oil-----		-----Gas-----		-Water-
T	Mo/Year	Name	Cpl	Dys	Prd	Produced	Sold	Produced	Sold	Prod
[	2	2014	BOYD X STATE #1	S02	28	59	48	35		452
[	1	2014	BOYD X STATE #1	S02	31	73	71			480
[	12	2013	BOYD X STATE #1	S02	31	71	61	116		383
[	11	2013	BOYD X STATE #1	S02	30	79	64	46	8	313
[	10	2013	BOYD X STATE #1	S02	30	34	42	86	47	443
[	9	2013	BOYD X STATE #1	S02	29	60	60	274	236	134
[	8	2013	BOYD X STATE #1	S02	30	91	142	476	438	1225
[	7	2013	BOYD X STATE #1	S02	31	87	99	137	59	942
[	6	2013	BOYD X STATE #1	S02	29	91	61	121	46	295
[	5	2013	BOYD X STATE #1	S02	31	34		147	69	328

F3=Exit F6=Add F10=Totals F11=Expand/Compress F12=Previous F15=Print



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**COMMINGLING ORDER CTB-473**

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Attention: Ms. Pamela S. Evans

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool (15472) production from the following leases:

Lease: Boyd 'X' State Com Well Nos. 10, 11, and 12  
Description: S/2 SE/4 and SE/4 NE/4 of Section 16; and,

Lease: Amole 'AMM' State Com Well No. 4  
Description: NE/4 SE/4 of Section 16,

all located Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in Boyd 'X' State Com tank battery facility located in Unit Letter 'O' of Section 16, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

PROVIDING: Validation of this authority shall be accomplished by like approval from the Commissioner of Public Lands, State Land Office.

DONE at Santa Fe, New Mexico, on this 29th day of June, 1998.

  
LORI WROTENBERY  
Division Director

LW/BES/kv

cc: Oil Conservation Division - Artesia  
State Land Office - Oil & Gas Division



State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



April 15, 2013

**ADMINISTRATIVE COMMON TANK BATTERY ORDER**

**Administrative Order CTB-473-A**  
**Administrative Application Reference No. pPRG1307329528**

**Yates Petroleum Corporation**  
Attention: Ms. Miriam Morales

**RE: Surface Commingling**

Reference is made to your administrative application received on March 14, 2013.

It is our understanding that you propose to commingle production from diversely owned lands, limited to one common source of supply, through facilities operated by the above named operator ("Applicant"). By this application you are seeking commingling approval pursuant to Division Rule 19.15.12.10.C.(4) NMAC. It is further understood that you have provided notice to all interest owners in accordance with Rule 19.15.12.10.C(4)(c), and no objections have been received.

Applicant is hereby authorized to surface commingle **oil production only** from the North Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565) from the following wells located in Eddy County, New Mexico:

<u>Name</u>	<u>API No.</u>	<u>Footages</u>	<u>ULSTR</u>
Amole AMM State Com #4	30-015-28542	1980 FS & 660 FE	I-16-19S-25E
Boyd X State #12	30-015-28738	1880 FN & 660 FE	H-16-19S-25E

This is an amendment to Administrative Order CTB-473, issued on June 29, 1998, which authorized surface commingling of production from these wells from the North Dagger Draw; Upper Penn Pool. Since the completions of both these wells in that pool have been permanently abandoned, this approval will result in no pool commingling. Production will be allocated by individual well metering.

It is our understanding that production from these wells is diversely owned, and that all interest owners have been notified of this Application.

March 28, 2013

Page 2

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Off lease storage and sale is hereby approved. The commingled production shall be stored in Boyd 'X' State Com tank battery facility located in Unit Letter 'O' of Section 16, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

This installation shall be constructed and operated in accordance with applicable Division Rules.

The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations, and shall notify the transporter of this commingling authority.

As per Division Rule 19.15.12.10.C.(4)(h) NMAC, the operator shall not commence commingling prior to approval from the New Mexico State Land Office.

Applicant has not provided notice that it is requesting addition of future wells or additional leases or pools to this commingle as per Rule 12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or pools shall not be included in this surface commingle without the operator again making application and providing notice to all owners.

Sincerely,



JAMI BAILEY  
Division Director

JB/db

cc: Oil Conservation Division – Artesia  
New Mexico State Land Office