

7/10/2014 DATE IN	SUSPENSE	MAm ENGINEER	7/11/2014 LOGGED IN	CTB TYPE	PMAM1419239889 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
 Print or Type Name

Signature

Production Analyst
 Title

7/8/14
 Date

mmorales@yatespetroleum.com
 e-mail Address

CTB - 642-A
 - Yates Petroleum Corp
 25575
 - Wells
 - Llama ALL Federal
 30-015-28093
 - Llama ALL Federal #4
 30-015-34279
 - Llama ALL Federal #5
 30-015-34298
 - Llama Federal #10H
 30-015-37150
 - Llama Federal #4H
 30-015-37189
 Cabin Lake
 Delaware
 8435

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: 

TITLE: Production Analyst

DATE: 7/8/14

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 MANAGEMENTFORM 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

7. If Unit or CA/Agreement, Name and/or No.
NMNM1293318. Well Name and No.
LLAMA ALL FEDERAL COM 9H9. API Well No.
30-015-3718910. Field and Pool, or Exploratory
CABIN LAKE; DELAWARE11. County or Parish, and State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: MIRIAM MORALES

E-Mail: mmorales@yatespetroleum.com

3a. Address

105 S FOURTH
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4200

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

Sec 7 T22S R31E SWSW 330FSL 430FWL

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Surface Commingling

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 recompleate 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 recompleation 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.

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**

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

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

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

32. Additional remarks, continued

Royalty values will not be affected by this commingle.

**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

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

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 and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37189	Pool Code 8435	Pool Name Cabin Lake; Delaware
Property Code 37765	Property Name LLAMA ALL FEDERAL COM	Well Number 9H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3261'

Surface Location

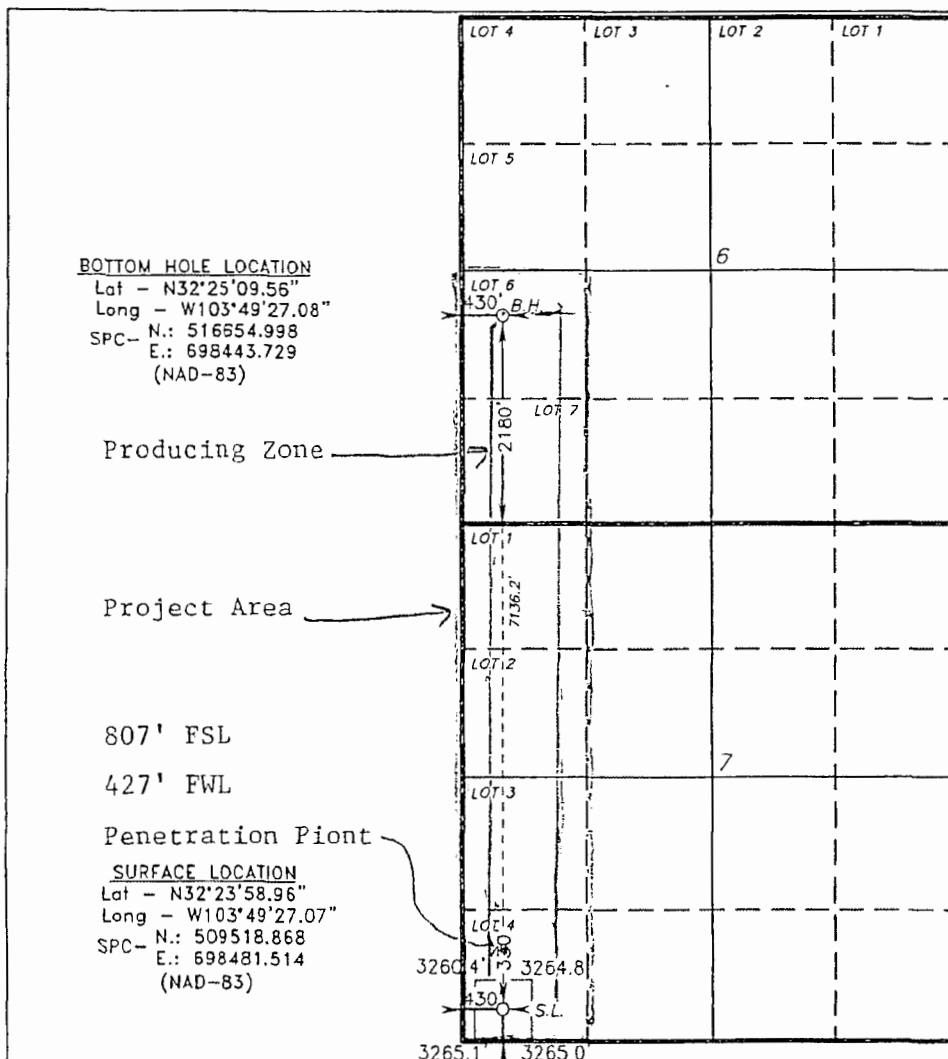
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	7	22 S	31 E		330	SOUTH	430	WEST	EDDY

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
LOT 7	6	22 S	31 E		2180	SOUTH	430	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

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



OPERATOR CERTIFICATION

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 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.

Cy Cowan 5/2/12
Signature Date

Cy Cowan
Printed Name

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.

MARCH 06, 2008

Date Surveyed
Signature & Seal
Professional Surveyor

Gary L. Jones
Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

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 and Natural Resources Department

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

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37190	Pool Code 8435	Pool Name Cabin Lake; Delaware
Property Code 37765	Property Name LLAMA ALL FEDERAL COM	Well Number 10H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3356'

Surface Location

UL or lot No. N	Section 7	Township 22 S	Range 31 E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. K	Section 6	Township 22 S	Range 31 E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
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Dedicated Acres 240	Joint or Infill	Consolidation Code	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

BOTTOM HOLE LOCATION
Lat - N32°25'10.85"
Long - W103°49'08.98"
SPC- N.: 516792.24
E.: 699995.24
(NAD-83)

SURFACE LOCATION
Lat - N32°23'58.95"
Long - W103°49'09.00"
SPC- N.: 509526.509
E.: 700931.456
(NAD-83)

OPERATOR CERTIFICATION
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 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.
Signature: *Tina Huerta* Date: 1/25/11
Printed Name: Tina Huerta

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 Surveyed: MARCH 06, 2008
Signature: *Gary L. Jones*
Professional Surveyor
Certificate No. Gary L. Jones 7977
BASIN SURVEYS

RECEIVED
FEB 07 2011
NMOCD ARTESIA

16			<div style="text-align: center;"> <p>STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION</p> <p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><i>Tina Huerta</i></p> <p>Signature</p> </div>
		<p>RECEIVED</p> <p>MAY 13 2004</p> <p>OCB-ARTESIA</p>	<p>Tina Huerta</p> <p>Printed Name</p> <p>Regulatory Compliance Supervisor</p> <p>Title and E-mail Address</p> <p>May 12, 2004</p> <p>Date</p>
			<div style="text-align: center;"> <p>18 SURVEYOR CERTIFICATION</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> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
<div style="border: 2px solid black; width: 100px; height: 100px; position: relative;"> <div style="position: absolute; left: 0; bottom: 0; width: 50px; height: 50px; border: 1px solid black;"></div> <p style="position: absolute; left: 10px; top: 10px;">950' W</p> <p style="position: absolute; right: 10px; top: 10px;">330' S</p> </div>			<p>Certificate Number</p>

Certificate Number

French Dr., Hobbs, NM 88240

District II

31 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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34298		² Pool Code 08435	³ Pool Name Cabin Lake Delaware
⁴ Property Code 15601	⁵ Property Name Llama ALL Federal		⁶ Well Number 5
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3368'GL

¹⁰ Surface Location

UL or lot no. O	Section 7	Township 22S	Range 31E	Lot Idn	Feet from the 330	North/South line South	Feet from the 1650	East/West line East	County Eddy
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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
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¹² Dedicated Acres 40	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			<p>RECEIVED</p> <p>JAN 27 2006</p> <p>000-0111234</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Tina Huerta</i></p> <p>Signature</p>
				<p>Tina Huerta</p> <p>Printed Name</p> <p>Regulatory Compliance Supervisor</p> <p>Title and E-mail Address</p> <p>January 25, 2006</p> <p>Date</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</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>
				<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>330'S</p> <p>1650'E</p>		<p>Certificate Number</p>



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

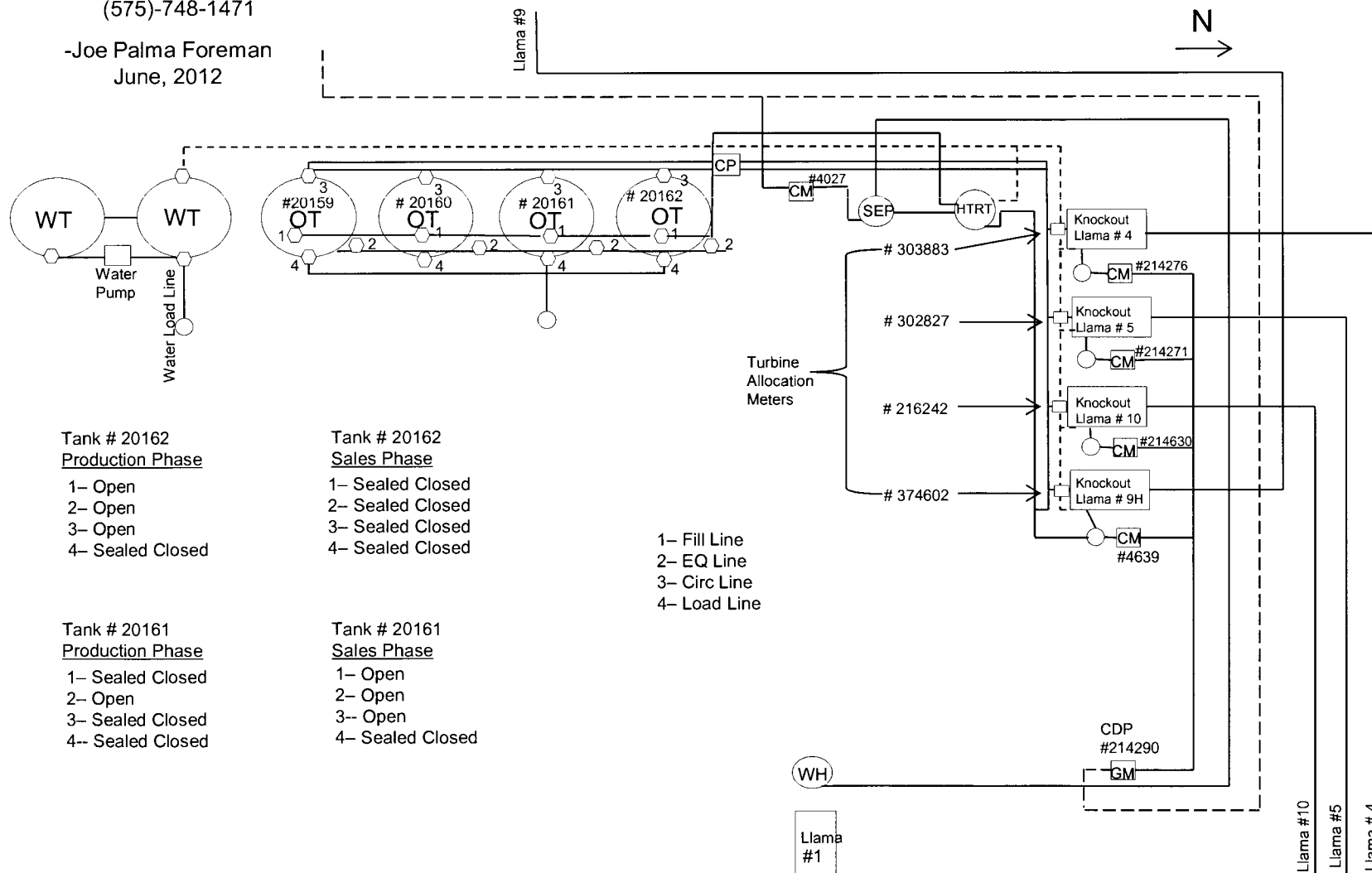
-Joe Palma Foreman
June, 2012

LLAMA BATTERY

330' FSL & 950' FWL * Sec7 – T22S R31E * Unit M

Eddy County, NM

API – 300152809300



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

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.

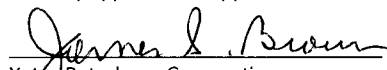
The purpose of the Surface/lease commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement or production. Without approval for utilizing existing batteries on adjacent leases,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

7



185 SOUTH FOURTH (575) 768-1471
ARTESIA, NEW MEXICO 88210



LEGEND

- OIL WELL PROPOSED
- GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE
T22S R31E

SECTION 7 FOOTAGE

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.
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.

LLAMA #1
LLAMA #9H
LLAMA #4
LLAMA #10H
LLAMA #5
FWR
BAT

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

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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

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



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


MYCO Industries, INC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
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ARTESIA, NEW MEXICO 88210-2118

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PRESIDENT

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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,

Miriam Morales
Production Analyst



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

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7013 2250 0000 5201 2327
7013 2250 0000 5201 2327

U.S. Postal Service™ RECEIPT
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Delivered by certified mail - 6/12/11
C. J. J.

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

Postmark Here

Sent To
Street, Apt. No.
or PO Box No.
City, State, ZIP

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

PS Form 3800, August 2006 See Reverse for Instructions

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

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:

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

2. Article Number
(Transfer from se

7013 2250 0000 5201 2327

PS Form 3811, July 2013

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

Domestic Return Receipt

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

7013 2250 0000 5201 2334

7013 2250 0000 5201 2334

ADDRESS SERVICE REQUESTED

Sent To
Street, Apt. 1
or PO Box N
City, State, Z
PO BOX 1090
ROSWELL, NM 88202-1090
PS Form 3800, August 2006

Postage
\$
Certified Fee
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Total Postage & Fees
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MATLOCK MINERALS LTD
C/O DEBORAH L GOLUSKA
PO BOX 1090
ROSWELL, NM 88202-1090

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:

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

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 se

7013 2250 0000 5201 2334

PS Form 3811, July 2013

Domestic Return Receipt

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

7013 2250 0000 5201 2310

7013 2250 0000 5201 2310

ADDRESS SERVICE REQUESTED

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or PO Box No.
City, State, ZIP+4®
Dallas TX 75284-1803

OXY Y-1 Co
PO BOX 841803

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

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Lama 44 moved 7/8/14
L. Howard

**U.S. Postal Service™
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OXY Y-1 COMPANY
P O BOX 841803
DALLAS TX 75284-1803

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:

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

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? ☐ YesIf 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 sen

7013 2250 0000 5201 2310

PS Form 3811, July 2013

Domestic Return Receipt

MPSD821

Inquire/Update Production History

7/15/14

09:03:35

Property 036200 001 LLAMA ALL FEDERAL #1

Production Date Range 12 2013 to 07 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
[	5	2014	LLAMA ALL	FEDER S04	31	1684	1616	1629	1629	11452
[	4	2014	LLAMA ALL	FEDER S04	29	1480	1412	1616	1361	6435
[	3	2014	LLAMA ALL	FEDER S04	14	1182	1118	1185	1185	1937
[	2	2014	LLAMA ALL	FEDER S04	16	595	759	122	122	1709
[	1	2014	LLAMA ALL	FEDER S04	25	1458	1410	270	270	3288
[	12	2013	LLAMA ALL	FEDER S04	23	1032	1008	876	876	2466

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

MPSD821

Inquire/Update Production History

7/15/14

09:04:07

Property 036200 004 LLAMA ALL FEDERAL #4

Production Date Range 12 2013 to 07 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	Prd	Dys	Produced	Sold	Produced	Sold	Prod
⌋	5	2014	LLAMA ALL FEDER	S01	31	721	658	884	884	4837
⌋	4	2014	LLAMA ALL FEDER	S01	26	470	427	1213	958	3641
⌋	3	2014	LLAMA ALL FEDER	S01	31	286	252	982	982	2487
⌋	2	2014	LLAMA ALL FEDER	S01	12	109	105	512	512	1161
⌋	1	2014	LLAMA ALL FEDER	S01	6	86	102	245	245	1227
⌋	12	2013	LLAMA ALL FEDER	S01	4	93	121	321	321	704

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

MPSD821

Inquire/Update Production History

7/15/14
09:04:16

Property 036200 005 LLAMA ALL FEDERAL #5

Production Date Range 12 2013 to 07 2014

Type options, press Enter.

2=Edit 4=Delete 5=Display

O	P	Prod	Well	API	Reg	Dys	-----Oil-----	-----Gas-----	-Water-	
T	Mo/Year	Name	Cpl	Prd	Produced	Sold	Produced	Sold	Prod	
[	5	2014	LLAMA ALL	FEDER S01	23	287	314	414	414	6838
[	4	2014	LLAMA ALL	FEDER S01	30	452	434	939	939	9444
[	3	2014	LLAMA ALL	FEDER S01	26	423	358	1006	1006	8398
[	2	2014	LLAMA ALL	FEDER S01	12	121	97	447	447	3519
[	1	2014	LLAMA ALL	FEDER S01	4	4	24	157	157	1240
[	12	2013	LLAMA ALL	FEDER S01	6	75	70	86	86	1757

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

MPSD821

Inquire/Update Production History

7/15/14

09:04:22

Property 036200 009 LLAMA ALL FEDERAL COM #9H H

Production Date Range 12 2013 to 07 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
└	5	2014	LLAMA ALL FEDER	S01	29	1127	1226	879	879	12823
└	4	2014	LLAMA ALL FEDER	S01	21	1514	1671	2108	1853	12635
└	3	2014	LLAMA ALL FEDER	S01	31	2383	2270	2758	2758	17980
└	2	2014	LLAMA ALL FEDER	S01	22	1487	1606	2111	2111	18934
└	1	2014	LLAMA ALL FEDER	S01	30	2178	2181	1804	1804	18409
└	12	2013	LLAMA ALL FEDER	S01	24	1674	1692	1891	1891	15244

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

MPSD821

Inquire/Update Production History

7/15/14
09:04:30

Property 036200 010 LLAMA ALL FEDERAL #10H

Production Date Range 12 2013 to 07 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
[]	5	2014	LLAMA ALL FEDER	S01	26	835	970	6424	6424	17830
[]	4	2014	LLAMA ALL FEDER	S01	30	1480	1553	9272	9017	24677
[]	3	2014	LLAMA ALL FEDER	S01	31	1709	1813	9228	9228	26214
[]	2	2014	LLAMA ALL FEDER	S01	22	2017	1913	7052	7052	20752
[]	1	2014	LLAMA ALL FEDER	S01	29	1894	1750	7069	7069	26107
[]	12	2013	LLAMA ALL FEDER	S01	16	876	961	4364	4364	13425

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Surface Commingling Order CTB-642

April 16, 2012

Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

Attention: Miriam Morales:

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil production from Cabin Lake; Delaware Oil Pool (**08435**) from the following Federal Leases and wells.

Wells:

Llama ALL Federal Well No. 1 (API No. **30-015-28093**), Sect. 7, T-22-S, R-31 E.

Llama ALL Federal Well No. 4 (API No. **30-015-34297**), Section 7, T-22-S, R-31-E.

Llama ALL Federal Well No. 5 (API No. **30-015-34298**), Sect. 7, T-22-S, R-31-E.

Llama ALL Federal Com Well No.9H (API No. **30-015-37189**), Sec. 7, T-22-S, R-31-E.

Llama ALL Federal Well No. 10H (API No. **30-015-37190**), Sec. 7, T-22-S, R-31-E.

All in NMPM, Eddy County, New Mexico.

Commingled oil production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Unit M, Section 7, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

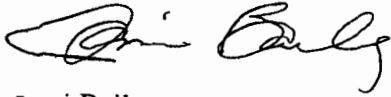
Oil production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The oil allocation meters shall be calibrated monthly.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations

This approval is subject to like approval from the Bureau of Land Management (BLM) before commencing the commingling operations.

DONE at Santa Fe, New Mexico, on April 16, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Artesia
Bureau Of Land Management (BLM) - Carlsbad