

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

7/10/14
 Date

mmorales@yatespetroleum.com
 e-mail Address

- CTB-428B
 - Yates Petroleum Corp

Wells
 - POLO AOP
 Federal #6
 30-015-28871
 - POLO AOP
 Federal #1
 30-015-28170
 - APOLO AOP
 Federal #3
 30-015-28431

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. _____
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.

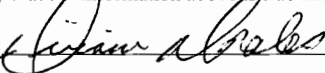
(E) ADDITIONAL INFORMATION (for all application types)

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:



TITLE: Production Analyst

DATE: 7/10/14

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 MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM82845
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: MIRIAM MORALES E-Mail: mmorales@yatespetroleum.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 105 S FOURTH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4200	8. Well Name and No. POLO APO FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T19S R25E NESW 1980FSL 1980FWL		9. API Well No. 30-015-28170
		10. Field and Pool, or Exploratory N SEVEN RIVERS; GLOR-YESO
		11. County or Parish, and State EDDY COUNTY, NM

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

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

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

Yates Petroleum respectfully requests approval to Surface lease (CA)commingle the Polo AOP Fed #1, Polo AOP Fed #6 and the Apollo APU Fed #3 oil production only.

The commingle production will be measured and sold at the Polo AOP Fed. #1 battery located at NESW, Sec. 10-T19S-R25E.

Diversified ownership(WI/OR). All owners will be notified (see attach).

Please see site facility diagram and all other documentation attach.

Royalty values will not be affected by this commingle.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #252398 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 07/10/2014

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 ****

Continuation of Apollo APU #3 surface/lease Commingle oil only

Federal Lease #NM-82845

<u>Well name</u>	<u>Pool #97565</u>	<u>BOPD</u>	<u>Gravity</u>
Polo AOP Federal #1 Sec. 10-T19S-R25E, NESW API #30-015-28170 Eddy County, NM	Glorieta-Yeso	*30	*38
Polo AOP Federal #6 Sec. 10-T19S-R25E, SWSE API #30-015-28871 Eddy County, NM	Glorieta-Yeso	*30	*38

Federal Lease #NM-94492

Apollo APU Federal #3 Sec. 10-T19S-R25E, SESE API #30-015-29431 Eddy County, NM	Glorieta-Yeso	*30	*38
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*This is an estimated production, updated information will be provided to BLM upon well completion and/or w/o.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in this application.

Gas Measurement

Each of the wells will have its own meter.

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.

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

RECEIVED

OCT 25 2013

NMOCD ARTESIA

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

¹ API Number 30-015-28170	² Pool Code 97565	³ Pool Name N. Seven Rivers; Glorietta-Yeso
⁴ Property Code 15903	⁵ Property Name Polo AOP Federal	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,465' GL

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
K	10	19S	25E		1980	South	1980	West	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 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 	¹⁷ 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 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. Signature: <u>Laura Watts</u> Date: <u>October 24, 2013</u> Printed Name: <u>Laura Watts</u> E-mail Address: <u>laura@yatespetroleum.com</u>	
	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: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____	

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

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AUG 23 2013

NMOC D ARTESIA

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-28871	² Pool Code 97565	³ Pool Name N. Seven Rivers; Glorieta-Yeso
⁴ Property Code 15903	⁵ Property Name Polo AOP Federal	⁶ Well Number 6
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3465' GL

¹⁰ Surface Location

UL or lot no. O	Section 10	Township 19S	Range 25E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	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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¹⁶ 	¹⁷ 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 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. Signature _____ Date August 21, 2013	
	Tina Huerta Printed Name tina@yatespetroleum.com E-mail Address	
	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 _____ 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
RECEIVED
JAN 21 2014
NMOCD ARTESIA

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-29431	² Pool Code 97565	³ Pool Name N. Seven Rivers; Glorieta-Yeso
⁴ Property Code 18663	⁵ Property Name Apollo APU Federal	⁶ Well Number 3
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,452' GR

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
P	10	19S	25E		660	South	660	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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code			¹⁵ 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.

				<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, 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> <p><u>Laura Watts</u> 1/17/14 Signature Date</p> <p><u>Laura Watts</u> Printed Name</p> <p><u>laura@yatespetroleum.com</u> E-mail Address</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>_____ Certificate Number</p>



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

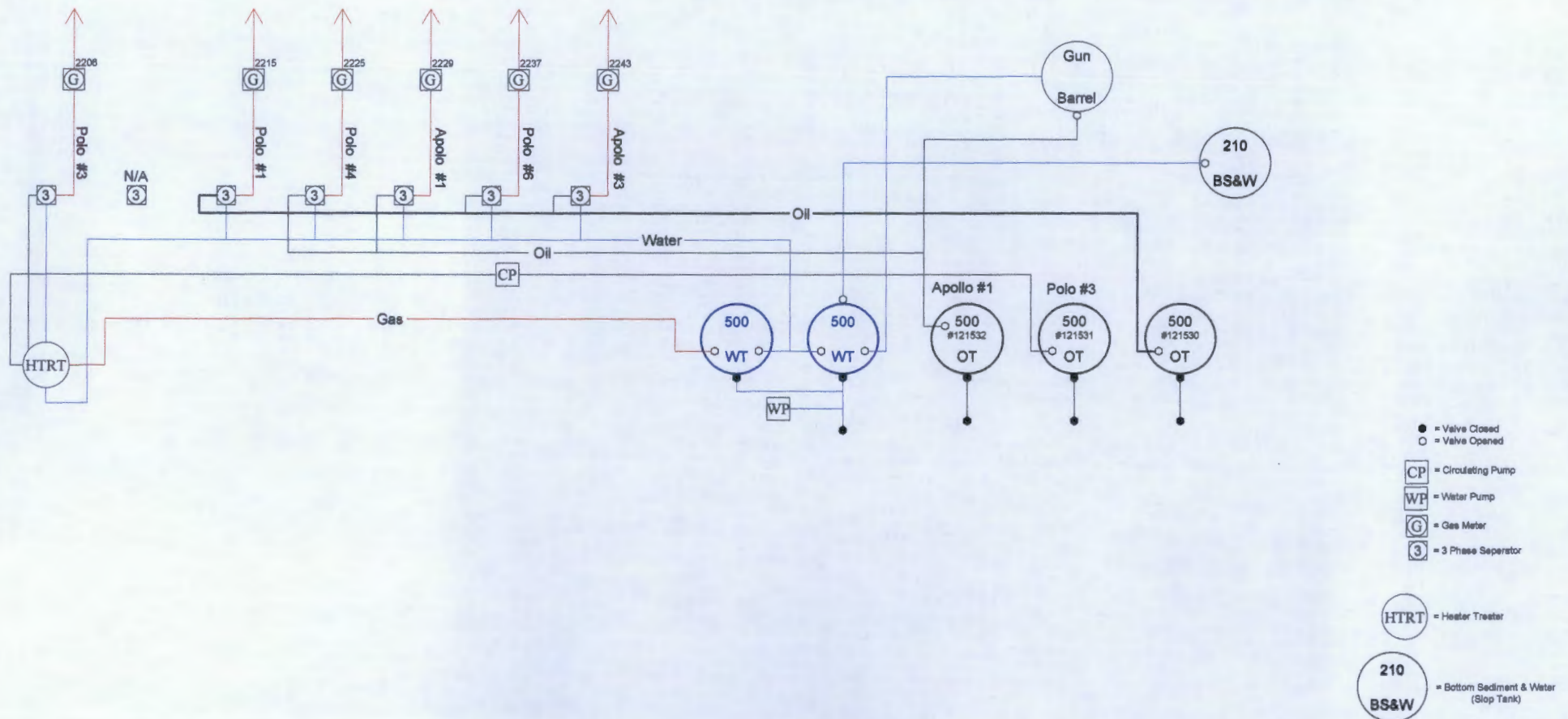
-Michael Farmer
-June, 2014

Polo AOP Federal Com Battery

1980' FSL & 1980' FEL * Sec 10 - T19S-R25E* Unit J

Eddy County, NM

API - 3001528170



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: Surface lease (CA) commingle oil only
Polo AOP Fed #1 & #6 and Apollo APU Fed #3
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease (CA) Commingle oil only for the Polo AOP Federal #1, #2 and the Apollo AUP Federal #3.

The commingle production will be measured and sold at the Polo AOP Fed #1 tank battery located at NWNW, Sec. 20-T19S-R25E. .

Federal Lease #NM-82845

Well name
Polo AOP Federal #1
Sec. 10-T19S-R25E, NESW
API #30-015-28170
Eddy County, NM

Pool #97565
Glorieta-Yeso

BOPD
*30

Gravity
*38

Polo AOP Federal #6
Sec. 00-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

*30

*38

Federal Lease #NM-94492

Apollo AOU Federal #3
Sec. 10-T19S-R25E, SESE
API# 30-015-29431
Eddy County, NM

Glorieta-Yeso

*30

*38

*This is an estimated production, updated information will be provided to BLM upon well completion and/or W/O.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in for this application.

Gas Measurement

Each well will have its own meter.

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.

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

I hereby approve this application


Companv: MYCO Industries, Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
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Federal Lease #NM-82845

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API #30-015-28170
Eddy County, NM

Pool #97565
Glorieta-Yeso

BOPD
*30

Gravity
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Polo AOP Federal #6
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Eddy County, NM

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Apollo AOU Federal #3
Sec. 10-T19S-R25E, SESE
API# 30-015-29431
Eddy County, NM

Glorieta-Yeso

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Company: Abo Petroleum Corporation

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Eddy County, NM

Pool #97565
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Gravity
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Polo AOP Federal #6
Sec. 00-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

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Federal Lease #NM-94492

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Sec. 10-T19S-R25E, SESE
API# 30-015-29431
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*30

*38

*This is an estimated production, updated information will be provided to BLM upon well completion and/or W/O.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in for this application.

Gas Measurement

Each well will have its own meter.

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.

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

I hereby approve this application

Company: Sharbro Energy, LLC

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: Surface lease (CA) commingle oil only
Polo AOP Fed #1 & #6 and Apollo APU Fed #3
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease (CA) Commingle oil only for the Polo AOP Federal #1, #2 and the Apollo AUP Federal #3.

The commingle production will be measured and sold at the Polo AOP Fed #1 tank battery located at NWNW, Sec. 20-T19S-R25E. .

Federal Lease #NM-82845

Well name
Polo AOP Federal #1
Sec. 10-T19S-R25E, NESW
API #30-015-28170
Eddy County, NM

Pool #97565
Glorieta-Yeso

BOPD
*30

Gravity
*38

Polo AOP Federal #6
Sec. 00-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

*30

*38

Federal Lease #NM-94492

Apollo AOU Federal #3
Sec. 10-T19S-R25E, SESE
API# 30-015-29431
Eddy County, NM

Glorieta-Yeso

*30

*38

*This is an estimated production, updated information will be provided to BLM upon well completion and/or W/O.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in for this application.

Gas Measurement

Each well will have its own meter.

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.

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

I hereby approve this application

Company: John A Yates

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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CHAIRMAN OF THE BOARD
PRESIDENT

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EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease (CA) commingle oil only
Polo AOP Fed #1 & #6 and Apollo APU Fed #3
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease (CA) Commingle oil only for the Polo AOP Federal #1, #2 and the Apollo AUP Federal #3.

The commingle production will be measured and sold at the Polo AOP Fed #1 tank battery located at NWNW, Sec. 20-T19S-R25E. .

Federal Lease #NM-82845

Well name
Polo AOP Federal #1
Sec. 10-T19S-R25E, NESW
API #30-015-28170
Eddy County, NM

Pool #97565
Glorieta-Yeso

BOPD
*30

Gravity
*38

Polo AOP Federal #6
Sec. 00-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

*30

*38

Federal Lease #NM-94492

Apollo AOU Federal #3
Sec. 10-T19S-R25E, SESE
API# 30-015-29431
Eddy County, NM

Glorieta-Yeso

*30

*38

*This is an estimated production, updated information will be provided to BLM upon well completion and/or W/O.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in for this application.

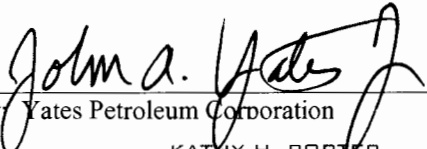
Gas Measurement

Each well will have its own meter.

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.

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

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

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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: Surface lease (CA) commingle oil only
Polo AOP Fed #1 & #6 and Apollo APU Fed #3
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease (CA) Commingle oil only for the Polo AOP Federal #1, #2 and the Apollo AUP Federal #3.

The commingle production will be measured and sold at the Polo AOP Fed #1 tank battery located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-82845

Well name

Polo AOP Federal #1
Sec. 10-T19S-R25E, NESW
API #30-015-28170
Eddy County, NM

Pool #97565

Glorieta-Yeso

BOPD

*30

Gravity

*38

Polo AOP Federal #6
Sec. 00-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

*30

*38

Federal Lease #NM-94492

Apollo AOU Federal #3
Sec. 10-T19S-R25E, SESE
API# 30-015-29431
Eddy County, NM

Glorieta-Yeso

*30

*38

*This is an estimated production, updated information will be provided to BLM upon well completion and/or W/O.

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 Polo AOP Fed #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. Any vapor recovery gas shall be included in for this application.

Gas Measurement

Each well will have its own meter.

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.

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

I hereby approve this application

Company: Trust O U/W/O Peggy A Yates, deceased

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

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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 10, 2014

RE: Surface lease (CA) commingle oil only

Apollo AOU Federal #3

Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to Surface Lease (CA) commingle oil only for the Polo AOP Fed #1, Polo AOP Fed #6 and Apollo APU Fed #3.

The commingle production will be measured and sold at the Polo AOP tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-0557142

Well name

Polo AOP Federal #1
Sec. 10-T19S-R25E, NESW
API #30-015-28170
Eddy County, NM

Pool #97565

Glorieta-Yeso

BOPD

*30

Gravity

*38

Polo AOP Federal #6
Sec. 10-T19S-R25E, SWSE
API # 30-015-28871
Eddy County, NM

Glorieta-Yeso

*30

*38

Federal Lease #NM-94492

Apollo APU Federal #3
Sec. 10-T19S-R25E, SESE
API #30-015-29431
Eddy County, NM

Glorieta-Yeso

*30

*38

*This is an estimated production.

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 Ross EG Fed #3. 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 for this application.

Gas Measurement

Each well will have its own meter.

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 objections must be filed in writing with the OCD 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 have any questions, please call me at (575) 748-4200 (direct line)

Sincerely,

Miriam Morales
Production Analyst

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

CERTIFIED MAIL™

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

ADDRESS SERVICE REQUESTED

7013 2250 0000 5201 4819

7013 2250 0000 5201 4819

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+
PS Form 3800, August 2008

EVERETT R SHARP
407 ROCK CREEK DR
PEACHTREE CITY GA 30269-3449

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407 ROCK CREEK DR
PEACHTREE CITY GA 30269-3449

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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:

EVERETT R SHARP
407 ROCK CREEK DR
PEACHTREE CITY GA 30269-3449

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A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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4. Restricted Delivery? (Extra Fee)

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2. Article Number

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To	
YATES INDUSTRIES LLC	
P O BOX 1091	
ARTESIA, NM 88211-1091	
PS Form 3800, August 2006 See Reverse for Instructions	

YATES INDUSTRIES LLC
P O BOX 1091
ARTESIA NM 88211-1091

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

SENDER: COMPLETE THIS SECTION

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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:

YATES INDUSTRIES LLC
P O BOX 1091
ARTESIA, NM 88211-1091

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 ser)

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

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7013 2250 0000 5201 4796

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For delivery information visit our website at www.usps.com	
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. 428 SANDOVAL SUITE 200	
City, State, ZIP+4 SANTA FE NM 87501	
TULIPAN LLC	
PS Form 3800, August 2006	
See Reverse for Instructions	

TULIPAN LLC
428 SANDOVAL SUITE 200
SANTA FE NM 87501

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:

TULIPAN LLC
428 SANDOVAL SUITE 200
SANTA FE NM 87501

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 sei)

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

ADDRESS SERVICE REQUESTED

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7013 2250 0000 5201 2471

7013 2250 0000 5201 2471

Sent To
Street, Apt. No.,
or PO Box No. MARIGOLD LLLP
City, State, ZIP+4 P O BOX 1290
ARTESIA NM 88211-1290
PS Form 3800, August 2006

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

Postmark
Here

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For delivery information visit our website at www.usps.com
Date: 7/13/13 10:10 AM
Signature: [Signature]

MARIGOLD LLLP
P O BOX 1290
ARTESIA NM 88211-1290

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.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MARIGOLD LLLP
P O BOX 1290
ARTESIA NM 88211-1290

2. Article Number
(Transfer from se

7013 2250 0000 5201 2471

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
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☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

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ARTESIA, NEW MEXICO 88210

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7013 2250 0000 5201 2464

Sent To
Street, Apt. No.
or PO Box No.
City, State, Zip
PS Form 3800, August 2006

SANTO LEGADO LLLP
P O BOX 1020
ARTESIA NM 88211

See Reverse for Instructions

Postage
\$

Certified Fee
\$

Return Receipt Fee
(Endorsement Required)
\$

Restricted Delivery Fee
(Endorsement Required)
\$

Total Postage & Fees
\$

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Patricia A. B. Kelly

SANTO LEGADO LLLP
P O BOX 1020
ARTESIA NM 88211

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

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1. Article Addressed to:

SANTO LEGADO LLLP
P O BOX 1020
ARTESIA NM 88211

2. Article Number
(Transfer from se)

7013 2250 0000 5201 2464

PS Form 3811, July 2013

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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

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☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

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ARTESIA, NEW MEXICO 88210

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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 OXY Y-1 COMPANY P O BOX 841803 DALLAS TX 75284-1803	
PS Form 3800, August 2006 See Reverse for Instructions	

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 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 X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: OXY Y-1 COMPANY P O BOX 841803 DALLAS TX 75284-1803		B. Received by (Printed Name)	C. Date of Delivery
2. Article Number (Transfer from s: 7013 2250 0000 5201 2457)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, July 2013 Domestic Return Receipt

CERTIFIED MAIL™

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

ADDRESS SERVICE REQUESTED



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For delivery information visit our website at www.usps.com	
<i>Postage</i> \$ <i>0.75</i>	
<i>Certified Fee</i> \$ <i>0.00</i>	
<i>Return Receipt Fee</i> (Endorsement Required) \$ <i>0.00</i>	
<i>Restricted Delivery Fee</i> (Endorsement Required) \$ <i>0.00</i>	
<i>Total Postage & Fees</i> \$ <i>0.75</i>	
Postmark Here	
Sent To: <i>OXY USA WTP LIMITED</i> Street, Apt. No.: <i>P O BOX 27570</i> or PO Box No. <i>HOUSTON TX 77227</i> City, State, Zip+	
PS Form 3800, August 2006 See Reverse for Instructions	

OXY USA WTP LIMITED
P O BOX 27570
HOUSTON TX 77227

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 USA WTP LIMITED
P O BOX 27570
HOUSTON TX 77227

2. Article Number
(Transfer from s

7013 2250 0000 5201 2433

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

CERTIFIED MAIL™

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

ADDRESS SERVICE REQUESTED



7013 2250 0000 5201 2426

7013 2250 0000 5201 2426

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<i>Patricia C. Smith</i>	
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Sent to: BANK OF AMERICA NA Street, Apt. No.: T J & MARY R SIVLEY TRUST or PO Box No.: P O BOX 832407 City, State, ZIP+4: DALLAS TX 75283-2407	
PS Form 3800, August 2006 See Reverse for Instructions	

BANK OF AMERICA NA
T J & MARY R SIVLEY TRUST
P O BOX 832407
DALLAS TX 75283-2407

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X ☐ Addressee

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

ADDRESS SERVICE REQUESTED

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7013 2250 0000 5201 2419

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ROLLA R HINKLE III
P O BOX 2292
ROSWELL NM 88202-2292

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ROLLA R HINKLE III
P O BOX 2292
ROSWELL NM 88202-2292

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ROSWELL NM 88202-2292

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☐ Addressee

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

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7013 2250 0000 5201 2402
7013 2250 0000 5201 2402

Sent To
Street, Apt. No. MADISON M HINKLE
or PO Box No. P O BOX 2292
City, State, Zip ROSWELL NM 88202-2292

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Madison M Hinkle

MADISON M HINKLE
P O BOX 2292
ROSWELL NM 88202-2292

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MADISON M HINKLE
P O BOX 2292
ROSWELL NM 88202-2292

2. Article Number

(Transfer from st

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A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

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☐ Yes

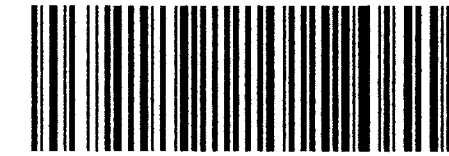
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YATES BUILDING - 105 SOUTH FOURTH STREET
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ADDRESS SERVICE REQUESTED



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7013 2250 0000 5201 2396

Sent To
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or PO Box No. 13408 SUMMIT HILLS PLACE
City, State, ZIP+4 ALBUQUERQUE NM 87112
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13408 SUMMIT HILLS PLACE
ALBUQUERQUE NM 87112

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ANN C JOHNSON TRUST
13408 SUMMIT HILLS PLACE
ALBUQUERQUE NM 87112

2. Article Number
(Transfer from se

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PS Form 3811, July 2013

Domestic Return Receipt

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A. Signature

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☐ 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

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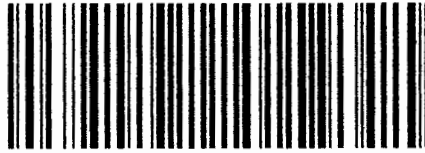
☐ Yes



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

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7013 2250 0000 5201 2372

PS Form 3800, August 2005 See Reverse for Instructions

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

LAI CORPORATION
P O BOX 10626
MIDLAND TX 79702-7626

Total Postage & Fees \$

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Return Receipt Fee (Endorsement Required)

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9/20/13 CB 7/1/14 LAI Corp

LAI CORPORATION
P O BOX 10626
MIDLAND TX 79702-7626

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
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1. Article Addressed to:

LAI CORPORATION
P O BOX 10626
MIDLAND TX 79702-7626

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

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☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

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2. Article Number
(Transfer from s

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

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7013 2250 0000 5201 2365

7013 2250 0000 5201 2365

Sent To
Street, Apt. No.,
or PO Box No. KAREN V & WILLIAM H MARTIN ENERGY, LTD
City, State, ZIP+ MIDLAND TX 79701-4310
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 \$

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Date of Delivery 07/10/13
Signature of Addressee [Signature]

KAREN V & WILLIAM H MARTIN ENER
400 N MARIENFELD SUITE 100
MIDLAND TX 79701-4310

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KAREN V & WILLIAM H MARTIN ENERGY, LTD
400 N MARIENFELD SUITE 100
MIDLAND TX 79701-4310

2. Article Number
(Transfer from se

7013 2250 0000 5201 2365

PS Form 3811, July 2013

Domestic Return Receipt

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

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☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

CERTIFIED MAIL™

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



7013 2250 0000 5201 2358

7013 2250 0000 5201 2358

ADDRESS SERVICE REQUESTED

Sent To
Street, Apt. No.,
or P.O. Box No. CONLEY RESOURCES LLC
City, State, Zip P O BOX 100
LARKSPUR CO 80118-0100

PS Form 3800, August 2006 See Reverse for Instructions

Total Postage & Fees \$

Postage \$

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Restricted Delivery Fee
(Endorsement Required)

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CONLEY RESOURCES LLC
P O BOX 100
LARKSPUR CO 80118-0100

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CONLEY RESOURCES LLC
P O BOX 100
LARKSPUR CO 80118-0100

2. Article Number
(Transfer from ser)

7013 2250 0000 5201 2358

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A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

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4. Restricted Delivery? (Extra Fee)

☐ Yes

MPSD821

Inquire/Update Production History

7/15/14
11:09:09

Property 044810 006 POLO AOP FEDERAL #6
 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	POLO AOP FEDERA	S02	31		71	71	
[	4	2014	POLO AOP FEDERA	S02	30		43	43	
[	3	2014	POLO AOP FEDERA	S02	16		30	30	
[	2	2014	POLO AOP FEDERA	S02					
[	1	2014	POLO AOP FEDERA	S02					
[	12	2013	POLO AOP FEDERA	S02					

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

McMillan, Michael, EMNRD

From: Miriam Morales <MMorales@yatespetroleum.com>
Sent: Tuesday, July 15, 2014 11:50 AM
To: McMillan, Michael, EMNRD
Subject: RE: Yates CTB July 2014 applications
Attachments: MX-5110N_20140715_111940.pdf

I have attach the information requested. Some of these wells have not been completed yet, so I don't have production for them.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, July 15, 2014 8:58 AM
To: Miriam Morales
Subject: Yates CTB July 2014 applications

Ms. Morales:

Can you provide the cum production and last 6 month's production for the following CTB and wells. If you do not see a note, then I assumed it was for oil and gas. Make sure I did not make a mistake whether for oil and gas or gas only and oil only

Hanagan CTB:

Hanagan #1 (gas only)

Hanagan #2

Hanagan #3

Llama CTB:

Llama ALL Federal #1

Llama ALL Federal #4

Llama ALL Federal #5

Llama ALL Federal #10H

Llama ALL Federal #9H

Martha CTB:

All of the wells in the application

Polo CTB: (oil only)

Polo AOP # Fed 1 – recompletion not finish yet

Polo AOP Fed #3 – this is the Apollo #3 and recompletion not finish yet

Polo AOP Fed #6

Ross CTB: (Oil only)

Ross EG #3

Ross EG #4

Ross EG #8

Dagger ZW CTB

Dagger ZW#2

Dagger ZW#3H- this is the Savannah #3H, we haven't reported any production to state yet.

Can you use the same format as in the past, which is easy to read.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED COMMINGLING ORDER CTB-428

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: Apollo 'APU' Federal Well No.1 (NM-023855-B)
Description: NW/4 NE/4 of Section 15, and;

Lease: Polo "AOP" Federal Com Lease (NM-82845)
Description: SW/4, and W/2 SE/4 of Section 10,

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

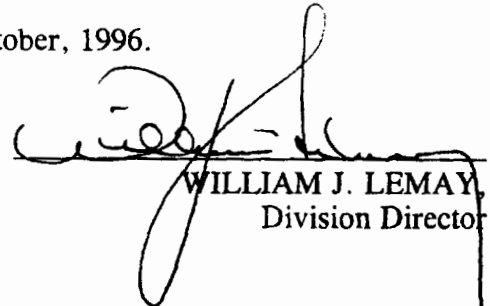
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

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 the Polo 'AOP' Federal No.2 tank battery facility located in Unit Letter 'J' of Section 10, 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.

DONE at Santa Fe, New Mexico, on this 11th day of October, 1996.


WILLIAM J. LEMAY
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad

Amend CTB-428

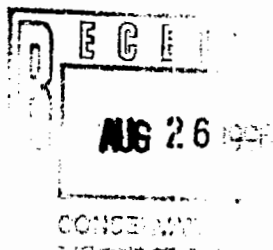
7/16/76

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER



August 23, 1996

Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429

Re: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement.
Dagger Draw Upper Penn, North Pool
Eddy County, New Mexico

Dear Mr. Lemay,

Yates Petroleum Corporation respectfully requests administrative approval to amend
Commingling Order CTB-428 (a copy of which is attached), to add the following well(s).

Polo AOP Federal Com #6
660' FSL & 1980' FEL
Unit O, SWSE
Section 10-T19S-R25E
Eddy County, NM

The production from this well is transported prior to measurement to a common tank battery,
located at the Polo AOP Com #2 (Unit J, Section 10-T19S-R25E).

The purpose of the surface commingling, lease commingling, off lease storage and measurement
is to reduce operating costs for storage and treating, thereby extending the economic life of each
well. Without approval for utilizing existing batteries on adjacent leases, it will become
necessary to build separate facilities for each well. This will greatly increase costs and shorten
the economic life of the wells.

Because working interests for the wells are different, oil from each of the wells will be measured
by positive displacement temperature compensated metering equipment prior to surface
commingling. Gas from the wells will also be metered separately. This metering will ensure
that all production from each of the wells is equitably accounted for with no significant effect on
your revenue. The production is from the same producing zone which is the Canyon.