

9/29/2014 DATE IN	SUSPENSE	ENGINEER MAM	9/30/2014 LOGGED IN	CTB TYPE	APP NO. DyAm/1427336045
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ABOVE THIS LINE FOR DIVISION USE ONLY

-oil only

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

-CTB 734
 -YATES Petroleum
 25575

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

2014 OCT 09 10 21 AM
 RECEIVED

Wells
 -Mango BLM State
 30-025-40517
 -TANGHEIC BRT
 State LH
 30-025-40518
 Pool
 -BERRY BONE
 Springs, North
 5535

[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]
 Signature

Production Analyst
 Title

9/29/14
 Date

mmorales@yatespetroleum.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Yates Petroleum Corporation

OPERATOR ADDRESS: 105 South Fourth St. Artesia, NM 88210

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
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. Bone Spring 24250

(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:

9/29/14

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-025-40518
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1220
7. Lease Name or Unit Agreement Name Tangerine BRT State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Featherstone, Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3667' GR

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

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

2. Name of Operator
Yates Petroleum Corporation

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

4. Well Location
Unit Letter A : 100 feet from the N line and 660 feet from the E line
Section 27 Township 20S Range 35E NMPM Lea County

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

NOTICE OF INTENTION TO:

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

OTHER: Amend CTB-703 ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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

Yates Petroleum respectfully requests administrative approval to Surface Lease commingle oil production only for the following wells:

Mango BRM State #1H
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40517
St. lease #VO-8090
Lea County, NM

Tangerine BRT State #1H (not yet drilled)
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40518
St. lease VB-1220
Lea County, NM

The battery is located at the Mango BRM #1H. Please see attached plats and site security diagram.
The ownership is diversified. All owners have been notified and copies of certified receipts and letters are attached.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. Total sales/production will be allocated back to each individual well using the metered (daily well test) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery shall be included in this application.

Estimated daily oil production for the Mango #1 and the Tangerine #1H is 300 bbls for each well.

Gas Measurement

See request for amended CTB -703 dated 9/24/14.

The purpose of the Surface Lease Commingle 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 the same battery, it will become necessary to build separate facilities for each well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Miriam Morales TITLE Production Analyst DATE 9/24/14
Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

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

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

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

API Number 30-025-40517	Pool Code 24250	Featherstone; 2nd Bone Springs/Wildcat	Pool Name
Property Code 39154	Property Name MANGO BRM STATE	Well Number 1H	
OGRID No. 25575	Operator Name YATES PETROLEUM CORP.	Elevation 3682'	

Surface Location

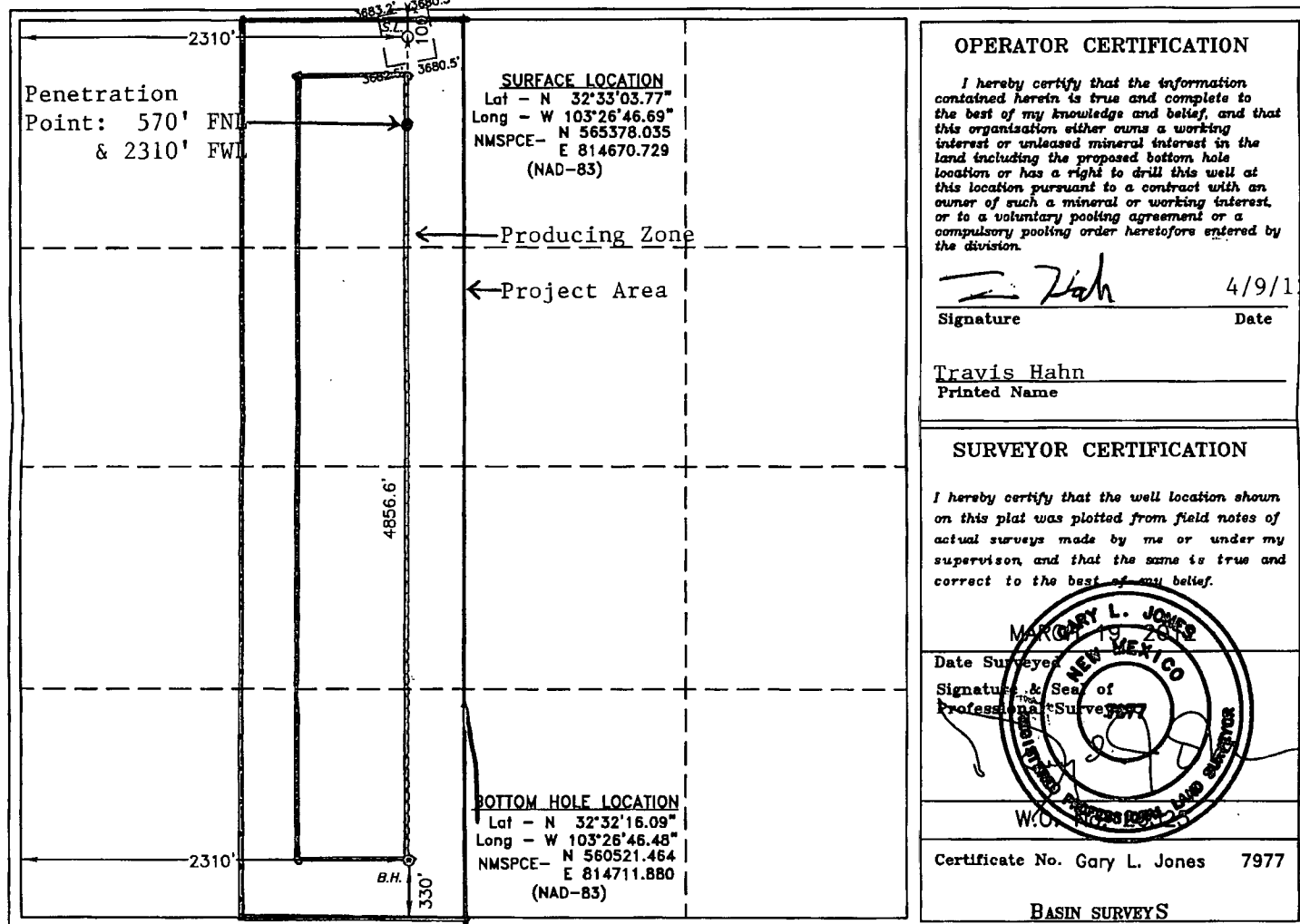
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	20S	35E		100	NORTH	2310	WEST	LEA

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
N	27	20S	35E		330	SOUTH	2310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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



APR 16 2012

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 893-6181 Fax: (505) 393-0720

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1301 W. Grand Avenue, Artesia, NM 88210
Phone (505) 746-1283 Fax: (505) 746-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40518	Pool Code 24250	Pool Name Featherstone/ 2nd Bone Springs/Wildcat
Property Code 39155	Property Name TANGERINE BRT STATE	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3667'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	20 S	35 E		100	NORTH	660	EAST	LEA

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
P	27	20 S	35 E		330	SOUTH	660	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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>Penetration Point: 570' FNL & 660' FEL</p> <p>Producing Zone →</p> <p>Project Area →</p>	<p>SURFACE LOCATION Lat - N 32°33'03.81" Long - W 103°26'19.53" NMSPCE- N 565402.036 E 816996.160 (NAD-83)</p>	<p>660'</p> <p>100'</p> <p>4855.4'</p> <p>330'</p> <p>660'</p>	<p>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.</p> <p><u>Travis Hahn</u> 4/9/12 Signature Date</p> <p><u>Travis Hahn</u> Printed Name thahn@yatespetroleum.com Email Address</p>
	<p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°32'15.78" Long - W 104°26'19.55" NMSPCE- N 560546.620 E 817035.125 (NAD-83)</p>		<p>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.</p> <p><u>GARY L. JONES</u> Date Surveyed Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 25401</p>

APR 16 2012

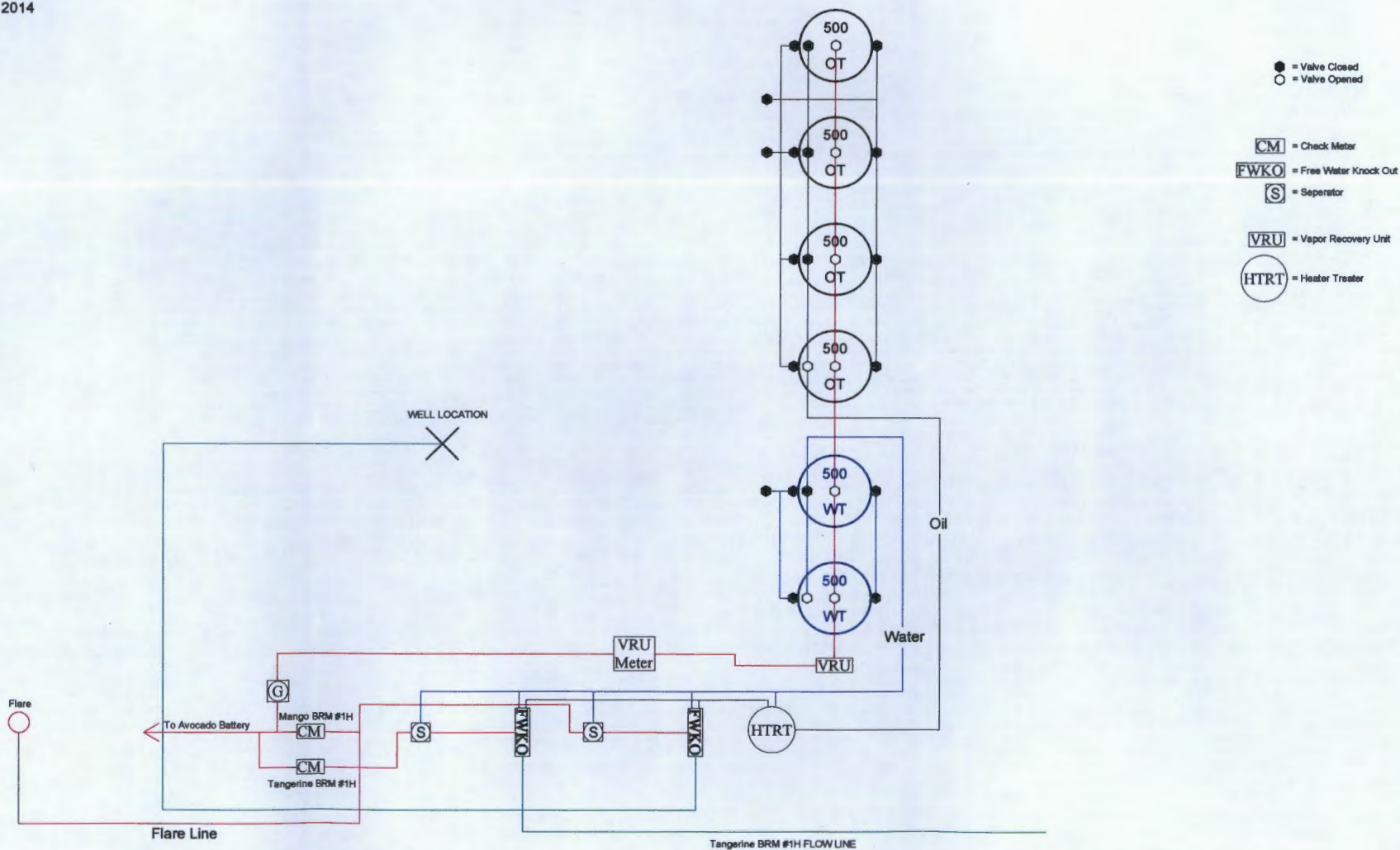


105 South 4th Street * Artesia, NM 88210
(575) 748-1471

-Joe Palma
-September, 2014

Mango BRM State #1H

100' FNL & 2310' FWL * Sec 27 - T20S-R35E* Unit C
Lea County, NM
API - 3002540517



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

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

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

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease commingle
Mango BRM State #1H & Tangerine BRT State #1H
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease commingle oil production only for the following wells:

Mango BRM State #1H
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40517
St. lease #VO-8090
Lea County, NM

Tangerine BRT State #1H (not yet drilled)
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40518
St. lease VB-1220
Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

Estimated daily oil production for the Mango #1H and the Tangerine is 300 bbls for each well

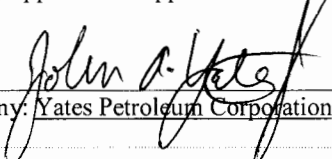
The purpose of the Surface/Lease Commingle is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

I hereby approve this application


Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

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Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

Estimated daily oil production for the Mango #1H and the Tangerine is 300 bbls for each well

The purpose of the Surface/Lease Commingle 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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Sincerely,

Miriam Morales

I hereby approve this application

Company: Abo Petroleum Corporation

KATHY H. PORTER
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Sec. 27-T20S-R35E
API #30-025-40518
St. lease VB-1220
Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

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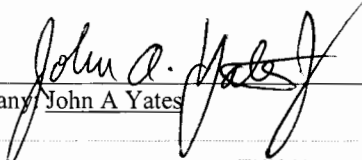
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Miriam Morales

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Company John A Yates

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RE: Surface lease commingle
Mango BRM State #1H & Tangerine BRT State #1H
Lea County, New Mexico

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API #30-025-40518
St. lease VB-1220
Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

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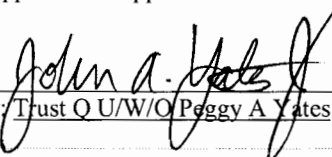
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Sincerely,

Miriam Morales

I hereby approve this application


Company: Trust Q U/W/O Peggy A Yates

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

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Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

Estimated daily oil production for the Mango #1H and the Tangerine is 300 bbls for each well

The purpose of the Surface/Lease Commingle 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

I hereby approve this application

Company: Myco Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

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

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease commingle
Mango BRM State #1H & Tangerine BRT State #1H
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease commingle oil production only for the following wells:

Mango BRM State #1H
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40517
St. lease #VO-8090
Lea County, NM

Tangerine BRT State #1H (not yet drilled)
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40518
St. lease VB-1220
Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application

Estimated daily oil production for the Mango #1H and the Tangerine is 300 bbls for each well

The purpose of the Surface/Lease Commingle 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales

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

JAMES S. BROWN
CHIEF OPERATING OFFICER

September 24, 2014

RE: Surface lease commingle
Mango BRM State #1H & Tangerine BRT State #1H
Lea County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division and the State Land Office to Surface lease commingle oil production only for the following wells:

Mango BRM State #1H
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40517
St. lease #VO-8090
Lea County, NM

Tangerine BRT State #1H (not yet drilled)
Featherstone; Bone Spring
Sec. 27-T20S-R35E
API #30-025-40518
St. lease VB-1220
Lea County, NM

The ownership is diversified.
The battery is located at the Mango BRM State#1H.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Mango #1H. 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 shall be included in this application.

Estimated daily oil production for the Mango and the Tangerine is 300 bbls for each well.

The purpose of the Surface/Lease Commingle 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 the same battery, 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 have any questions, please contact me at (575)748-4200 (direct line)

Sincerely,

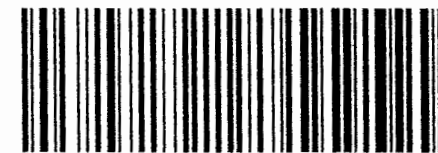
Miriam Morales
Production Analyst

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

CERTIFIED MAIL™

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



7014 0510 0001 0743 4924

7014 0510 0001 0743 4924

ADDRESS SERVICE REQUESTED

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
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 Oxy Y-1 Company Street, Apt. No. or PO Box No. P.O. Box 841803 City, State, ZIP+4 Dallas TX 75284-1803 PS Form 3800, August 2005 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 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 service label)

7014 0510 0001 0743 4924

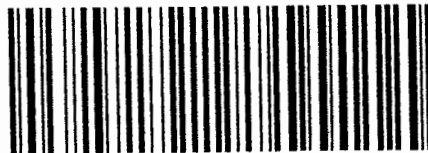
PS Form 3811, July 2013

Domestic Return Receipt

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

ADDRESS SERVICE REQUESTED



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7014 0510 0001 0743 4917

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
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: Yates Industries	
Street, Apt. No., P.O. Box No. P.O. Box 1901	
City, State, ZIP+4 ARTESIA, NM 88211-1901	
PS Form 3800, August 2005 See Reverse for Instructions	

YATES INDUSTRIES
P O BOX 1901
ARTESIA, NM 88211-190

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1. Article Addressed to:

YATES INDUSTRIES
P O BOX 1901
ARTESIA, NM 88211-1901

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ 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 **7014 0510 0001 0743 4917**
(Transfer from se)

PS Form 3811, July 2013

Domestic Return Receipt



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

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL™



7014 0510 0001 0743 4900

7014 0510 0001 0743 4900

Sent to
Street, Apt. No.,
or PO Box No. 310 Old Santa Fe Trail, P.O. Box 1148
City, State, ZIP+4 Santa Fe, NM 87504-1148
PS Form 3800, August 2006 See Reverse for Instructions

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

Postmark
Here

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
Longino, LUIS B. J. d.

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, New Mexico 87504-11

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:

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

2. Article Number
(Transfer from service label)

7014 0510 0001 0743 4900

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

McMillan, Michael, EMNRD

From: Miriam Morales <MMorales@yatespetroleum.com>
Sent: Tuesday, September 30, 2014 11:16 AM
To: McMillan, Michael, EMNRD
Subject: RE: CTB 703-A application
Attachments: MX-5110N_20140930_104408.pdf

Yes, the oil & gas will be metered at this battery for the Avocado & Guava. The Mango and Tangerine gas will be metered also at this location.

Did you get the application for the Mango & Tangerine oil only?

The Mango & Tangerine are not completed yet.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, September 30, 2014 9:24 AM
To: Miriam Morales
Subject: CTB 703-A application

Ms. Morales:

I received your application yesterday. I have a couple of questions

Can you provide the last 6 months oil and gas production for the Avocado State, guava State, Mango State, and Tangerine State wells. Use the same format that you have provided in the past.

Next, I want to be clear on this application, you will still meter oil and gas for the Avocado, and Guava wells. The Mango and Tangerine is for gas only?

Thank You
Mike

This message may contain confidential information and is intended for the named recipient only. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. E-mail transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.

McMillan, Michael, EMNRD

From: Kautz, Paul, EMNRD
Sent: Tuesday, October 21, 2014 8:04 AM
To: McMillan, Michael, EMNRD
Subject: RE: Pool designation Mango BRM State and Tangerine BRT State

That is correct they are both in the Featherstone; Bone Spring Pool.

Paul

From: McMillan, Michael, EMNRD
Sent: Monday, October 20, 2014 8:36 AM
To: Kautz, Paul, EMNRD
Subject: Pool designation Mango BRM State and Tangerine BRT State

Paul:
I want to make sure that the Mango BRM State and Tangerine BRT State are in the Featherstone; Bone Spring Pool
Mango BRM State 1H; Sec. 27 T20S 35E API 30-025-40517
Tangerine BRT State 1H; Sec. 27 T20S 35E API 30-025-40518
Thank You
Mike