

DATE IN 6.17.11	SUSPENSE 7/8/11	ENGINEER RE	LOGGED IN 6.17.11	TYPE OLM	APP NO 1116847719
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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



Yates 255-75

Grid From "BLI" Fed #3

## ADMINISTRATIVE APPLICATION CHECKLIST

30-005-64145

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]**

M612527E

Chowes

### [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 Clerk  
 Title

Date

mmorales@yatespetroleum.com  
 e-mail Address

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter, an abandoned well. Use Form 3160-3 (APD) for such proposals.*

RECEIVED OGD  
JUN 17 11:11

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other PA

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

575-748-1471

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

990' FSL & 330' FWL, Unit M Sec.6-T12S-R27E

5. Lease Serial No

NM-101580

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Grid Iron BLI Federal #3

9. API Well No.

30-005-64145

10. Field and Pool or Exploratory Area

Wildcat/Wolfcamp

11. County or Parish, State

Chavez County, New Mexico

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

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

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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Yates Petroleum Corporation respectfully requests your approval for an addition to the off lease measurement on the Grid Iron BLI #2 application, OLM-23 approved by OCD on 6/28/10, and BLM on 6/10/10.

The addition will consist of any future wells drilled in lease NM-101580, Township 12 South, Range 27 East, Sections 6, 7, and 18, and wolfcamp pool as well as the ones listed below:

Please see attach

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

Name (Printed/Typed)

Miriam Morales

Title Production Clerk

Signature

Date

6/10/11

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

(not yet drilled)  
WYCOYTE, <sup>WOLF CAMP</sup> ~~LOS~~ (97670)  
30-005-64146

Grid Iron BLI Federal #4 (not yet drilled)  
Section 7-T12S-R27E  
Wildcat/ Wolfcamp  
API # not assigned yet  
Chavez County, NM  
Federal Lease # NM-101580

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

District I  
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. OLM-23

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE Miriam Morales

TITLE: Production Clerk

DATE: 6/16/11

TYPE OR PRINT NAME Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

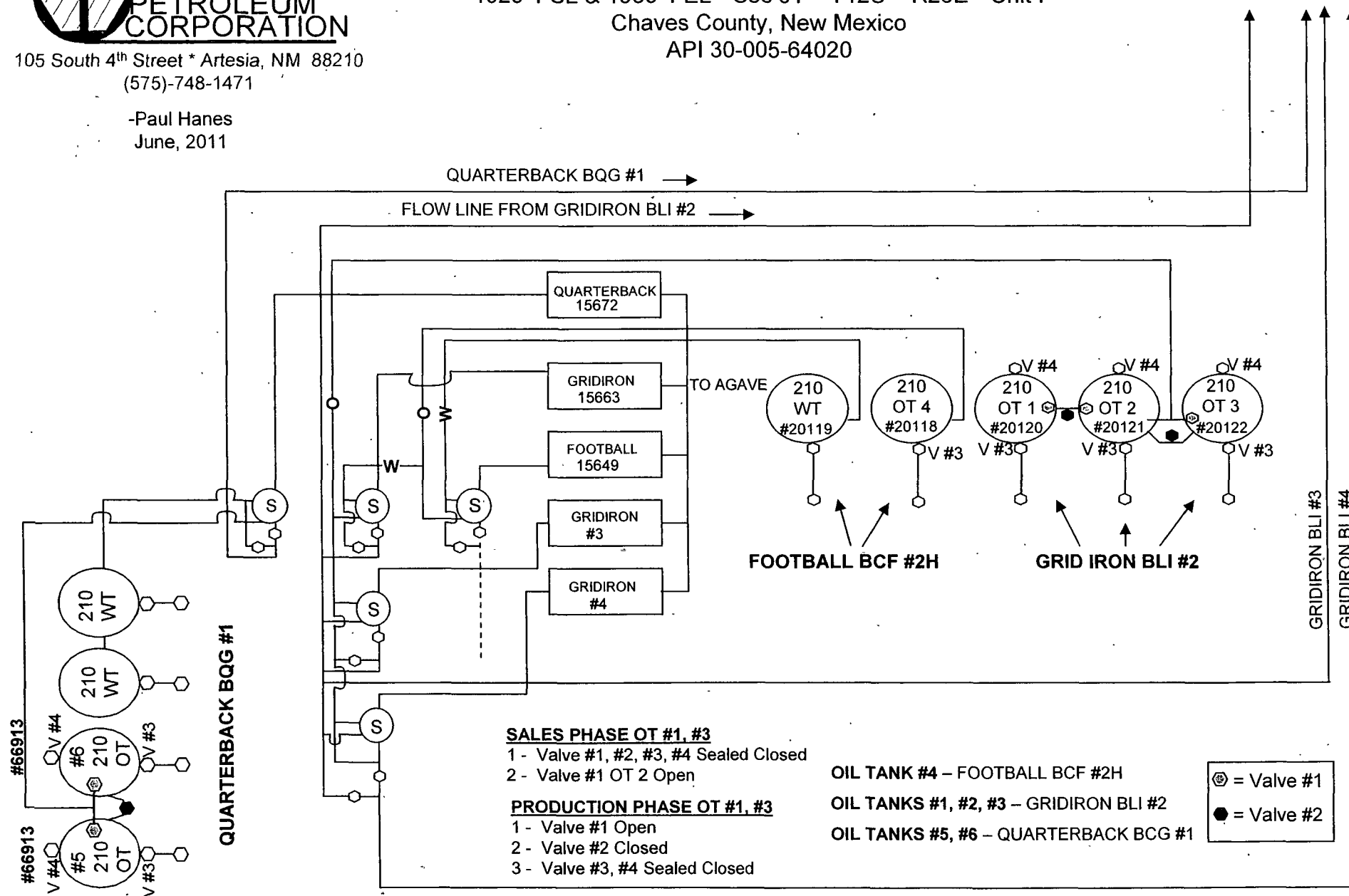


105 South 4<sup>th</sup> Street \* Artesia, NM 88210  
(575)-748-1471

-Paul Hanes  
June, 2011

# FOOTBALL BCF FEDERAL #2H

1929' FSL & 1959' FEL \* Sec 01 – T12S – R26E \* Unit I  
Chaves County, New Mexico  
API 30-005-64020



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

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

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

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

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

<sup>1</sup> API Number 30-005-64063	<sup>2</sup> Pool Code 97832	<sup>3</sup> Pool Name WILLOCAT G-02 512270641 Wildcat; Wolfcamp (Oil)
<sup>4</sup> Property Code 37239	<sup>5</sup> Property Name Grid Iron BLI Federal Com	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3739'GR

<sup>10</sup> Surface Location

UL or lot no. L	Section 6	Township 12S	Range 27E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line West	County Chaves
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<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  November 11, 2010 Signature _____ Date _____ Tina Huerta Printed Name tina@yatespetroleum.com E-mail Address			
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number _____			
	<b>RECEIVED</b> NOV 15 2010 NMOCD ARTESIA			

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 July 16, 2010  
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	Pool Code	Pool Name
		Wildcat; Wolfcamp
Property Code	Property Name	Well Number
	GRID IRON "BLI" FEDERAL	3
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3742'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	6	12 S	27 E		990	SOUTH	330	WEST	CHAVES

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
Dedicated Acres 40		Joint or Infill		Consolidation Code		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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 3/14/11 Signature Date</p> <p>Cy Cowan Printed Name</p> <p>cy@yatespetroleum.com Email Address</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><i>[Signature]</i> Signature &amp; Seal of Professional Surveyor</p> <p>GARY L. JONES 2011 Date Surveyed</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 23939</p>	
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 33°18'08.128" Long - W 104°17'02.377" MSPCE - N 837511.858 E 556412.044 (NAD-83)</p>	
	<p>NM-101580</p>	

DISTRICT I  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised July 18, 2010

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	Pool Code	Pool Name
		Wildcat Wolfcamp
Property Code	Property Name	Well Number
	GRID IRON "BL" FEDERAL	4
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3742'

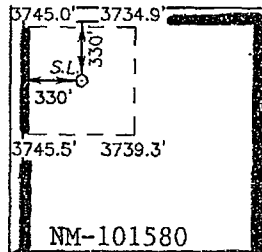
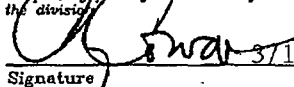
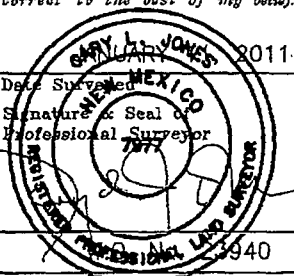
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	7	12 S	27 E		330	NORTH	330	WEST	CHAVES

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
40									
Dedicated Acres	Joint or Infill	Consolidation Code	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>3745.0' 3734.9'</p> <p>330'</p> <p>3745.5' 3739.3'</p> <p>NM-101580</p>	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 33°17'55.071"</p> <p>Long - W 104°17'02.372"</p> <p>NMSPCE- N 836192.25</p> <p>E 556416.73</p> <p>(NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 3/14/11</p> <p>Signature Date</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>cy@yatespetroleum.com</p> <p>Email Address</p>	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p></p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 23940</p>
---	--	--	---



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

SCOTT M. YATES  
VICE PRESIDENT

JAMES S. BROWN  
CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

June 16, 2011

Re. Addition to off lease measurement  
Wildcat/Wolfcamp  
Chavez County, New Mexico

Dear Interest Owner,

Yates Petroleum Corporation is notifying you of an addition to an application for the off lease measurement on the Grid Iron BLI #2. The addition will consist of any future wells drilled in lease NM-101580, Township 12 South, Range 27 East, Sections 6, 7, and 18, and Wolfcamp pool as well as the ones listed below

Grid Iron BLI Federal #3 (not yet drilled)  
Section 6-T112S-R27E  
Wildcat/ Wolfcamp  
API #30-005-64145  
Chavez County, NM  
Federal Lease #NM-101580

Grid Iron BLI Federal #4 (not yet drilled yet)  
Section 6-T12S-R27E  
Wildcat/Wolfcamp  
API # not yet assigned  
Chavez County, NM  
Federal Lease #NM-101580

For current and future wells the gas and oil will be measured and sold on the Football BCF Federal #2H Section 1-T12S-R26E.

Identical pools Identical ownership.

**Oil Measurement**

Grid Iron #3, 4 and future wells will utilize facilities for the Grid Iron #2.

**Gas Measurement**

Each well will have its own gas meter.

Beneficial use off lease approximately 10 mcfpd

The off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production.

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

Sincerely,

Miriam Morales  
Production Clerk

I hereby approve this application

  
Company: ABO Petroleum Corporation

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
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June 16, 2011

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Wildcat/Wolfcamp  
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Chavez County, NM  
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Section 6-T12S-R27E  
Wildcat/Wolfcamp  
API # not yet assigned  
Chavez County, NM  
Federal Lease #NM-101580

For current and future wells the gas and oil will be measured and sold on the Football BCF Federal #2H Section 1-T12S-R26E.

Identical pools. Identical ownership.

**Oil Measurement**

Grid Iron #3, 4 and future wells will utilize facilities for the Grid Iron #2.

**Gas Measurement**

Each well will have its own gas meter.

Beneficial use off lease approximately 10 mcfpd.

The off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production

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

Sincerely,

Miriam Morales  
Production Clerk

I hereby approve this application

  
Company: Yates Petroleum Corporation

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



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

JOHN A. YATES  
CHAIRMAN OF THE BOARD

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Wildcat/Wolfcamp  
Chavez County, New Mexico

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

Sincerely,

Miriam Morales  
Production Clerk

I hereby approve this application

  
Company: Sharbro Oil LTD. Co

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.  
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SCOTT M. YATES  
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CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

June 16, 2011

Re: Addition to off lease measurement  
Wildcat/Wolfcamp  
Chavez County, New Mexico

Dear Interest Owner,

Yates Petroleum Corporation is notifying you of an addition to an application for the off lease measurement on the Grid Iron BLI #2. The addition will consist of any future wells drilled in lease NM-101580, Township 12 South, Range 27 East, Sections 6, 7, and 18, and Wolfcamp pool as well as the ones listed below:

Grid Iron BLI Federal #3 (not yet drilled)  
Section 6-T112S-R27E  
Wildcat/ Wolfcamp  
API #30-005-64145  
Chavez County, NM  
Federal Lease #NM-101580

Grid Iron BLI Federal #4 (not yet drilled yet)  
Section 6-T12S-R27E  
Wildcat/Wolfcamp  
API # not yet assigned  
Chavez County, NM  
Federal Lease #NM-101580

For current and future wells the gas and oil will be measured and sold on the Football BCF Federal #2H Section 1-T12S-R26E

Identical pools Identical ownership.

**Oil Measurement**

Grid Iron #3, 4 and future wells will utilize facilities for the Grid Iron #2.

**Gas Measurement**

Each well will have its own gas meter.

Beneficial use off lease approximately 10 mcfpd.

The off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production.

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

Sincerely,

Miriam Morales  
Production Clerk

I hereby approve this application

  
Company. MYCO Industries, INC.

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



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CHIEF ADMINISTRATIVE OFFICER

June 16, 2011

Re: Addition to off lease measurement  
Wildcat/Wolfcamp  
Chavez County, New Mexico

Dear Interest Owner,

Yates Petroleum Corporation is requesting approval from the Oil Conservation Division and the Bureau of Land Management for an addition to the off lease measurement on the Grid Iron BLI #2 application. The addition will consist of any future wells drilled in lease NM-101580, Township 12 South, Range 27 East, Sections 6, 7, and 18, and Wolfcamp pool as well as the ones listed below:

Grid Iron BLI Federal #3 (not yet completed)  
Section 6-T112S-R27E  
Wildcat/ Wolfcamp  
API #30-005-64145  
Chavez County, NM  
Federal Lease #NM-101580

Grid Iron BLI Federal #4 (not yet drilled yet)  
Section 7-T12S-R27E  
Wildcat/Wolfcamp  
API # not yet assigned  
Chavez County, NM  
Federal Lease #NM-101580

For current and future wells the gas and oil will be measured and sold on the Football BCF Federal #2H Section 1-T12S-R26E

Identical pools Identical ownership.

**Oil Measurement**

Grid Iron #3, 4 and future wells will utilize facilities for the Grid Iron #2.

**Gas Measurement**

Each well will have its own gas meter.

Beneficial use off lease approximately 10 mcfpd.

The off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production.

Any objection must be filed in writing with the Oil Conservation Division in Santa Fe within 20 days from the date the division received the application. Application will be sent in conjunction with notification to owners

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

Sincerely,

Miriam Morales  
Production Clerk



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

ADDRESS SERVICE REQUESTED

**CERTIFIED MAIL**

7010 1670 0001 6455-5992

7010 1670 0001 6455 5992

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
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6455-5992 3102M Duke W. S. E. L. L. L.

Postage

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Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

\$

Postmark  
Here

W. S. E. L. L. L.

Sent to

Street, Apt. No.:

or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

Box 1-1 Company

P.O. Box 841803

Dallas TX 75284-1803

See Reverse for Instructions

pany  
03  
84-1803

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature <b>X</b> <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span>	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:  OXY-Y-1 Company P.O. Box 841803 Dallas, TX 75284-1803		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"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7010 1670 0001 6455 5992	
PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

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- A unique identifier
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**Important Remind**

- Certified Mail is
- NO INSURANCE
- For an additional delivery, to obtain Receipt (PS Form fee. Endorse mail a duplicate return required.

- For an additional addressee's authentication endorsement "H"
- If a postmark on the post receipt is not ne

**IMPORTANT: Say**

PS Form 3800, August

Yates Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210

7010 1670 0001 6455 5985  
7010 1670 0001 6455 5985

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
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*Grady #3* *BLM* *Minam @ Post*  
*6/16/11*

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

Postmark  
Here

Sent To: *BLM*  
Street, Apt. No.,  
or PO Box No. *2909 W. Second St.*  
City, State, ZIP+4 *Roswell NM 88201*

PS Form 3800, August 2005

See Reverse for Instructions

Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201



**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:

Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

2. Article Number  
(Transfer from service label)

7010 1670 0001 6455 5985

PS Form 3811, February 2004

**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 ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Domestic Return Receipt

102595-02-M-1540