

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-39792
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VO-6670
3. Address of Operator 105 S. Fourth Street Artesia, NM 88210		7. Lease Name or Unit Agreement Name Doc BHU State Com
4. Well Location Unit Letter <u>O</u> : <u>430</u> feet from the <u>south</u> line and <u>2310</u> feet from the <u>east</u> line Section <u>6</u> Township <u>25S</u> Range <u>30E</u> NMPM <u>Eddy</u> County		8. Well Number <u>5H</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3189' GR		9. OGRID Number <u>025575</u>
		10. Pool name or Wildcat Pierce Crossing; Bone Spring, East

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

**NOTICE OF INTENTION TO:**  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

**SUBSEQUENT REPORT OF:**  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Surface/Pool Commingle oil only ☒

OTHER: PC-1244 ☐

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/Pool Commingle oil only for the following wells:

Doc BHU State #1 ☒  
Corral Canyon; Delaware  
Pierce Crossing; Bone Spring ☒  
Sec. 5-T25S-R30E  
St. Lease #VO-6670  
API #30-015-34552  
Eddy County, NM

Doc BHU State Com #5H (not yet recompletd)  
Pierce Crossing; Bone Spring, east ☒  
Sec. 6-T25S-R30E  
St. Lease #VO-6670  
API #30-015-39792  
Eddy County, NM

*Reviewed by [Signature] 5/10/12*  
*Recommend Approval*

The battery is located at the Doc #1. Please see attached plats and site security diagram.

Identical ownership, attached is the letter signed by the landman.

**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 Doc BHU #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.

Estimated daily oil production for Doc #1 is 7 bbls and for the Doc #2 is 150 bbls. The average estimated gravity is 43.7.

The purpose of the surface/lease commingle 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. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for this well. This will greatly increase costs and shorten the economic life of the well.

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

SIGNATURE [Signature] TITLE Production Analyst DATE 4/24/12

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

**For State Use Only**

APPROVED BY [Signature] TITLE Director DATE 5/10/12

Conditions of Approval (if any):