ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		a do A de Nos
		ADMINISTRATIVE APPLICATION CHECKLIST Woodchuck Abo
•	THIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Appli	[DHC-Dow [PC-Po	
[1]	TYPE OF AF [A]	PPLICATION - Check Those Which Apply for [A]  Location - Spacing Unit - Simultaneous Dedication  NSL NSP SD
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PC OLS OLM
	[C]	Commingling - Storage - Measurement  DHC CTB PLC PC OLS OLM  Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD PIP EOR PPR  Other: Specify
	[D]	Other: Specify
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply  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 LO 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]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION INDICATED ABOVE.
	oval is <b>accurate</b> a	<b>FION:</b> I hereby certify that the information submitted with this application for administrative and <b>complete</b> to the best of my knowledge. I also understand that <b>no action</b> will be taken on this quired information and notifications are submitted to the Division.
	Note	Statement must be completed by an individual with managerial and/or supervisory capacity.
	Morales or Type Name	Signature Production Analyst /1/9/12 Date
1 11111	or Type Ivallie	Signature Title 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

E-MAIL ADDRESS: <u>mmorales@yatespetrolem.com</u>

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.

			COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:		troleum Corporation	W. 00010			
OPERATOR ADDRESS: APPLICATION TYPE:	105 Sout	h Fourth St. Artesia, N	NIVI 88210			
					(0.1.1000	
☐ Pool Commingling ☐ Lease	_	•	• • –	Storage and Measu	rement (Only if not Surface	e Commingled)
LEASE TYPE:		State Fede				
Is this an Amendment to exis Have the Bureau of Land Ma ☐Yes ☐No	sting Order magement	·? ∐Yes ☑No If (BLM) and State Land	"Yes", please include of office SLO been no	the appropriate C	Order No of the proposed comm	ingling
		` '	L COMMINGLIN is with the following in			
(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 a		bles?   Yes   No				
(3) Has all interest owners bee	1etering [	Other (Specify)		☐Yes ☐No.	ing should be approved	
			SE COMMINGLIN			· .
			s with the following in	nformation		
<ol> <li>Pool Name and Code. Ea</li> <li>Is all production from sam</li> <li>Has all interest owners beer</li> </ol>	e source of	supply? ⊠Yes □N		⊠Yes □N	o	
(4) Measurement type: \(\simeg M\)	etering [	Other (Specify)				
			LEASE COMMIN			
(1) Complete Sections A and	<del></del>	Please attach sheet	s with the following in	nformation		
(1) Complete Sections A and	E					
	a	O) OFF-LEASE ST	ORAGE and MEA	SUREMENT	•	
		·	ets with the following			
(1) Is all production from sam			o			
(2) Include proof of notice to	all interest o	wners.				
	(E) AI	ODITIONAL INFO	RMATION (for all	application to	umac)	
	(E) AI		s with the following in		(pes)	
(1) A schematic diagram of fa		ding legal location.				
(2) A plat with lease boundari			ons. Include lease number	ers if Federal or Sta	ate lands are involved.	
(3) Lease Names, Lease and V	vell Numbe	rs, and API Numbers.				
I hereby certify that the informat	ion above is	true and complete to the	best of my knowledge an	d belief.		
SIGNATURE:	eld.	2 n	TLE: Production Analys		DATE:_ <i>[[</i> ]	1/2
(**			<u></u>		·	
TYPE OR PRINT NAME_Mir	iam Morale:	<u>s</u>		TEL	EPHONE NO.: <u>(575)</u> 74	+8-14/1

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  SUNDRY NO  (DO NOT USE THIS FORM FOR PRO DIFFERENT RESERVOIR. USE "APP PROPOSALS.)  1. Type of Well: Oil Well  2. Name of Operator  Yates Petroleum Corporation  3. Address of Operator	Energy, Min OIL CON 1220 Sa OTICES AND REPOR	TO DEEPEN OR PLU T" (FORM C-101) FC	DIVISION acis Dr. 2505	6. State Oi VO-0228 7. Lease N Gopher BR 8. Well No 9. OGRID	Type of Lease TE FEE  I & Gas Lease No.  Iame or Unit Agreement Name
105 S. Fourth Street Artesia, N	M 88210			Empire; Gl	orieta-Yeso
4. Well Location	1050 0 0				
Unit Letter <u>L</u> Section 13	: 1850 feet from th			from the NMPM	Wline
Section 13	Townshi		e 28E 1 RKB, RT, GR, etc.)		County Eddy
		43' GR			
	Appropriate Box INTENTION TO: ☐ PLUG AND ABA	: _		SEQUEN	Other Data  T REPORT OF:  ALTERING CASING
	CHANGE PLANS		COMMENCE DRIL		S. P AND A
		IPL 🗌	CASING/CEMENT	JOB	
DOWNINGE COMMINGEE	_	!			
OTHER: Surface Lease Comm			OTHER:		
of starting any proposed proposed completion or	work). SEE RULE 1 recompletion.	9.15.7.14 NMAC	C. For Multiple Con	npletions: A	ent dates, including estimated date ttach wellbore diagram of
Yates Petroleum respectfully requests a	dministrative approval to	Surface/Lease Com	mingle the following w	ells:	
Empire; Glorieta-Yeso Sec. 13-T17S-R28E St. lease #VO-0228 API #30-015-39147	Gopher BRG State #2 Empire; Glorieta-Yeso Sec. 13-T17S-R28E St. lease #VO-0228 API #30-015-39153 Eddy County, NM	Empir Sec. 1 St. lea API#	chuck ABW State #2(no re; Glorieta-Yeso 3-T17S-R28E ase #LG-3782 30-015-39154 County, NM	ot yet drilled)	Woodchuck ABW State #3 Empire; Glorieta-Yeso Sec. 13-T17S-R28E St. lease #LG-3782 API #30-015-39155 Eddy County, NM
The battery is located at the Gopher BR	G State #1. Please see at	رے tached plats and site	security diagram.		
The ownership is diversified. All owne	r's notifications and in ho	ouse waivers are atta	ched.		
Oil Measurement Each of the wells will be equipped with Total sales/production will be allocated battery volumes daily and monthly for a	continuously metering se back to each individual v	eparators for oil proc	luction prior to oil bein		
Please see continuation					
I hereby certify that the information	on above is true and c	omplete to the be	est of my knowledge	and belief.	
· · / )	aproles .	•	ction Analyst		DATE <i>  [9[12</i>
Type or print name Miriam Moral For State Use Only	les	E-mail address:	mmorales@yatespo	etroleum.com	n PHONE: <u>575-748-4200</u>
APPROVED BY:Conditions of Approval (if any):		_TITLE			DATE

### Continuation of Surface Lease Commingle for Gopher BRG State #1

Estimated daily production for each of the four wells is 100 bbl. with a gravity of 30.

### Gas Measurement

Each of the wells will be equipped with allocation meters for gas prior to commingling. Total gas production and sales will be based on the measurement at the DCP's CDP and allocated back to each well based on EFM readings. The DCP meter will be located at the Gopher BRG State #1.

Estimated daily production for each of the four wells is 200 MCF with 1200 BTU.

The purpose of the Surface Lease Commingle is in the interest of conservation, economic feasibility, 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.

#### District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

### District III

1000 Pilo Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

#### District IV

1220 S. Sr Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

## State of New Mexico rgy, Minerals and Natural Resources Oil Conservation Division

il Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 Permit 133408

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3.	Pool Name
30-015-39147	96210	EMPIRE; (	SLORIETA-YESO
4. Property Code	5. Property	Name	đ. Well No.
38671	GOPHER BR	G STATE	001
7. OCRID No.	S. Operator	Name	9. Elevation
25575	YATES PETROLEUM	CORPORATION	3643

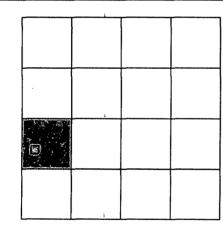
### 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
L	13	178	28E		1850	S	330	W	EDDY	

11. Bottom Hole Location If Different From Surface

UL - Lot Section T		Township	Plange	Lot I	ರ್ಷ.	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres		13	Joint or Infill		14.	Consolidation (	Code		15. Order No.	
40.00				- 1						

# NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) 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.

E-Signed By: Monti Sanders

Title:

Date: 6/20/2011

## 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.

Surveyed By: Gary Jones
Date of Survey: 5/7/2011
Certificate Number: 7977

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

# 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

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV 1220 S. St. Prancis Dr., Santa Pe, NM 87505

□ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name

30-019-391	7.3 Pool Code 9.6210	Empire:	Gloricta-Y	cso
Property Code 38 671	•	perty Name / / "BRG" STATE		Well Number 2
ogrid no. 025575		rator Name ROLEUM CORP.		Elevation 3702'

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	17 S	28 E		330	SOUTH	2100	WEST	EDDY

### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint of	r Infill Co	nsolidation (	ode Ore	der 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

				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
		<b>]</b> ,		Printed Name
į				Email Address
<del> </del>		 		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 supervison and that the same is true and correct to the best of my belief.
 		 		Date Shiveyed Seal of Professional Surveyed
 		SURFACE LOCATION   Lot - N 32*49'46.03"   Long - W 104'07'53.46"   NMSPCE- N 665547.188   E 603328.347		
2100'-	,085 S.L.	E 603328.347 (NAD-B3)		Certificate No. Gary L. Jones 7977  BASIN SURVEYS 24588
		L	L	DASM SURIES 2:000

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised July 16, 2010

Submit one copy to appropriate District Office

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

w.oʻ.

Certificate No. Gary L. Jones

BASIN SURVEYS

7977 24590

			WELL LO	CATION	AND ACRE	EAGE DEDICATI	ON PLAT	_ AMENDED	KEFUKI
	Number	1		Pool Code			Pool Name	J .	
30-01 Property (		<del>74</del>	1 9	4210	Property Na	Empire	Caloricta	- 7050   Well No	ımber
3867				WOOD	CHUCK "AI			2	
OGRID No	).				Operator No	ame	· · · · · · · · · · · · · · · · · · ·	Eleva	
0255	575 			YATES	S PETROLE	UM CORP.		371	5′ ————
					Surface Lo	cation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	1 '	Feet from the	East/West line	County
K	13	17 S	28 E		2050	SOUTH	2265	WEST	EDDY
			Bottom	Hole Loc	ation If Dif	ferent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
						<u>l</u>			
Dedicated Acres	s Joint o	r Infili   C	Consolidation (	Code Or	der No.				
40.00			· · · · · · · · · · · · · · · · · · ·						
NO ALLO	WABLE W					UNTIL ALL INTER APPROVED BY		EEN CONSOLIDA	ATED
		ON A	NON-STAN	DAND ON	II HAS DEEL	AFFROVED BI	— — — —		
				— 			OPERATO	R CERTIFICAT	TON
	i			i	i		contained herei	rtify that the inform in is true and compo knowledge and belief	lete to
	i			i	j		this organization	n either owns a work ased mineral interest	ing in the
	1			1			land including location or has	the proposed bottom I a right to drill this rsuant to a contract	well at
	ļ			!			owner of such or to a volunta	s mineral or working ry pooling agreement	interest,
	.			į	1		the division.	ing order heretofore	entered by
	<del>-</del>			<del> </del>			71		
	1 1			! 	 		Signature		Date
				1			Printed Nam		
. ]	j			İ	İ		Finited Nam	c	
				I	. ]		Email Addres	9	
	l			!			SURVEYO	R CERTIFICAT	ION
	+	<del></del>	· ······ ····· ·	<del> </del> -		· <del></del>	I heromi cortifi	that the well locate	on shown
					E LOCATION		on this plat we	is plotted from field	notes of
	2265' <del>-</del>	····	()	long - W	32°50'03.05" 104°07'51.97"		11	made by me or d that the same is	- 1
j	1	•	S.L.	ł .	N 667267.418 E 603452.372		correct to th		
	1			(NAI	0-83)		ll w	AY CAP 2011	
	1			ļ.	ļ		Date Surveye		111
	+		+	<u>+</u>			- Signature &		J #
1	1		-	l	1		11 / 11	1 6CV	

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised July 16, 2010

Submit one copy to appropriate
District Office

Pool Name

Em Dire: Gloricta - Yeso

### OIL CONSERVATION DIVISION

Pool Code

910210

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

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

API Number

30-015-39155

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

Property	Code	<u> </u>		-10	Property Nan	ne OTV	Property Name					
38672	2	ļ		3	3							
ogrid No 0255	0.			Elevation 3647'								
					Surface Loc	ation						
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County			
М	13	17 S	28 E		990	SOUTH	330	WEST	EDDY			
			Bottom	Hole Loc	ation If Diffe	erent From Sur	face					
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County			
Dedicated Acre	8 Joint	or Infill Co	nsolidation (	Code Or	der No.		<u> </u>	,				

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

	DARD UNIT HAS BEEN APPROVED BY TH.	
	RECEIVED  JUN 23 2011  NMOCD ARTESIA	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 minered 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
		Printed Name  Email Address  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 supervison and that the same is true and correct to the best of my belief.  Date Surveyed Signature & Seal of
SURFACE LOCATION Lat - N 32'49'52.47" Long - W 104'08'14.37" NMSPCE - N 666194.419 E 601543.116 (NAD-83)		W.C. Certificate No. Gary L. Jones 7977  BASIN SURVEYS 24591



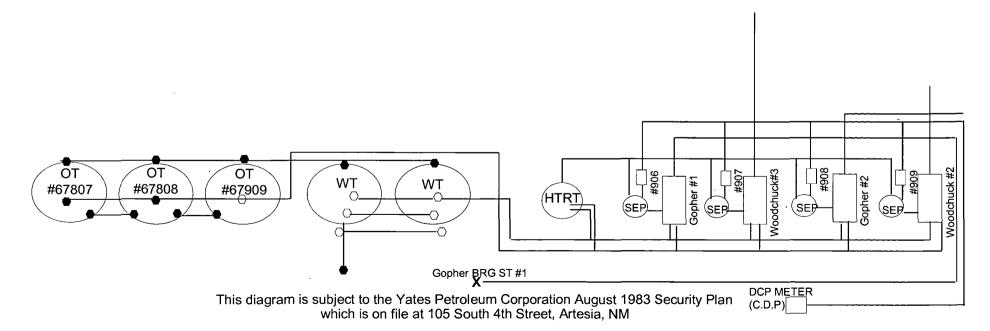
# Gopher BRG ST #1

1850' FNL & 330' FWL \* Sec13 – T17S R28E \* Unit L Eddy County, NM API-300153914

-Keith Hutchens Foreman -October, 2012

 $\leftarrow N$ 

- =Valve Closed
- =Valve Opened



MARTIN YATES, III

FRANK W. YATES

5.P YATES



105 SOUTH FOURTH STREET

### ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR.

JAMES S. BROWN

JOHN D. PERINI

JORGE S. MENDOZA
CHIEF ADMINISTRATIVE OFFICER

November 9, 2012

RE: Surface Lease Commingle Gopher BRG State #1 & 2 Woodchuck ABW State #2 & 3 Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Lease Commingle the following wells:

Gopher BRG State #1	Gopher BRG State #2	Woodchuck ABW State #2(not yet drilled)	Woodchuck ABW State #3
Empire; Glorieta-Yeso	Empire; Glorieta-Yeso	Empire; Glorieta-Yeso	Empire; Glorieta-Yeso
Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E
St. lease #VO-0228	St. lease #VO-0228	St. lease #LG-3782	St. lease #LG-3782
API #30-015-39147	API #30-015-39153	API #30-015-39154	API #30-015-39155
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM

The battery is located at the Gopher BRG State #1.

The ownership is diversified.

### 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 Gopher #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 production for each of the four wells is 100 bbl. with a gravity of 30.

### **Gas Measurement**

Each of the wells will be equipped with allocation meters for gas prior to commingling. Total gas production and sales will be based on the measurement at the DCPs CDP and allocated back to each well based on EFM readings. The DCP meter will be located at the Gopher BRG Sate #1.

Estimated daily production for each of the four wells is 200 MCF with 1200 BTU.

The purpose of the Surface Lease Commingle 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 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 should have any questions, please give me a call at (575) 748-4200 (direct line).

Sincerely,

Miriam Morales

**Production Analyst** 

I hereby approve this application

Company: Yates Petroleum Corporation

MARTIN YATES, III

FRANK W. YATES 1936-1986

S.P YATES



105 SOUTH FOURTH STREET

### ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.

JAMES S. BROWN

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA
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Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E
St. lease #VO-0228	St. lease #VO-0228	St. lease #LG-3782	St. lease #LG-3782
API #30-015-39147	API #30-015-39153	API #30-015-39154	API #30-015-39155
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM
	222, 222,,		

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Sincerely,

Miriam Morales
Production Analyst

I hereby approve this application

Company: ABO Petroleum Corporation

MARTIN YATES, III

FRANK W. YATES

5.P YATES 1914-2008



105 SOUTH FOURTH STREET

#### ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES

JOHN A. YATES JR.

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA

November 9, 2012

RE: Surface Lease Commingle Gopher BRG State #1 & 2 Woodchuck ABW State #2 & 3 Eddy 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 the following wells:

Gopher BRG State #1	Gopher BRG State #2	Woodchuck ABW State #2(not yet drilled)	Woodchuck ABW State #3
Empire; Glorieta-Yeso	Empire; Glorieta-Yeso	Empire; Glorieta-Yeso	Empire; Glorieta-Yeso
Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E	Sec. 13-T17S-R28E
St. lease #VO-0228	St. lease #VO-0228	St. lease #LG-3782	St. lease #LG-3782
API #30-015-39147	API #30-015-39153	API #30-015-39154	API #30-015-39155
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM

The battery is located at the Gopher BRG State #1.

The ownership is diversified.

### 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 Gopher #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 production for each of the four wells is 100 bbl. with a gravity of 30.

### **Gas Measurement**

Each of the wells will be equipped with allocation meters for gas prior to commingling. Total gas production and sales will be based on the measurement at the DCP's CDP and allocated back to each well based on EFM readings. The DCP meter will be located at the Gopher BRG State #1.

Estimated daily production for each of the four wells is 200 MCF with 1200 BTU.

The purpose of the Surface Lease Commingle is in the interest of conservation, economic feasibility, 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.

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

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

Miriam Morales

**Production Analyst** 

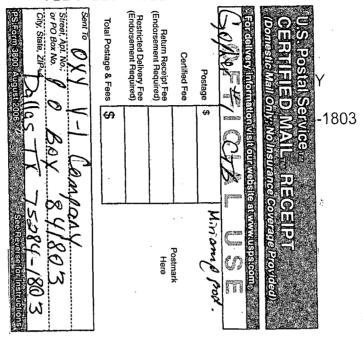
# CERTIFIED MAIL



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

ADDRESS SERVICE REQUESTED

7009 2250 0004 1781 2118 7009 2250 0004 1781 2118

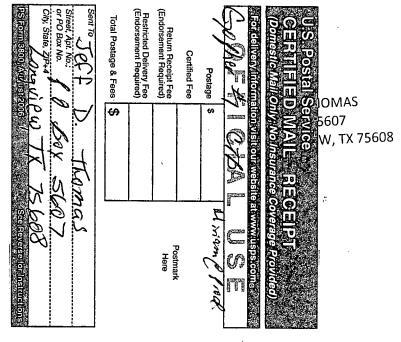


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	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
· •	<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse</li> </ul>	A. Signature ☐ Agent ☐ Addressee
	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.	B. Received by ( Printed Name) C. Date of Delivery
	1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes.  If YES, enter delivery address below: ☐ No
	OXY Y-1 COMPANY P.O. BOX 841803	
	DALLAS, TX 75284-1803	3. Service Type  ☐ Certified Mail. ☐ Express Mail. ☐ Registered. ☐ Return Receipt for Merchandise. ☐ Insured Mail. ☐ C.O.D.
		4. Restricted Delivery? (Extra Fee) Yes
	2. Article Number 7009 2250 0004	1497 5779
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ADDRESS SERVICE REQUESTED

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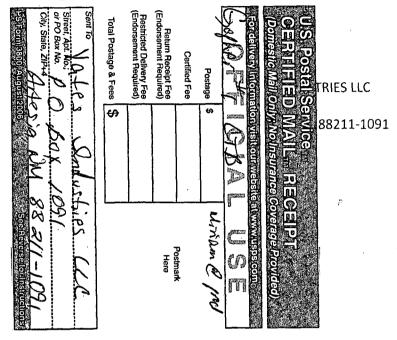


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so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits:	B. Received by ( <i>Printed Name</i> ) C. Date of Delivery
Article Addressed to:	D. Is delivery address different from item 1?
JEFF D THOMAS	
P O BOX 5607	
LONGVIEW, TX 75608	3. Service Type  △ Certified Mail □ Express Mail □ Registered □ Return Receipt for Merchandise
	☐ Insured Mall ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number 7009 2250 0004	1781 2101
PS Form 3811, February 2004 Domestic Re	eturn Receipt 102595-02-M-1540



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Attach this card to the back of the mailpiece, B. Received by (Printed Name) C. Date of Delivery or on the front if space permits. D. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: YATES INDUSTRIES LLC P O BOX 1091 ARTESIA, NM 88211-1091 3. Service Type Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) 2. Article Number 7009 2250 0004 1781 2095 (Transfer from se PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

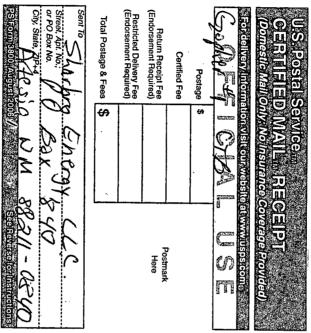
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YATES BUILDING - 105 SOUTH FOURTH ST. ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

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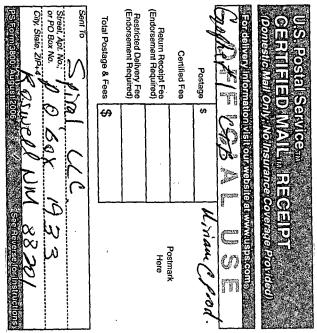
SHARBRO ENERGY LLC P O BOX 840 ARTESIA, NM 88211-0840

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P O BOX 840 ARTESIA, NM 88211-0840	88211-0840	3. Service Type  Certified Mail
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PS Form 3811,	February 2004 Domestic	Return Receipt 102595-02-M-1540



ADDRESS SERVICE REQUESTED

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SPIRAL INC P O BOX 1933 ROSWELL, NM 88201

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	SPIRAL INC P O BOX 1933	
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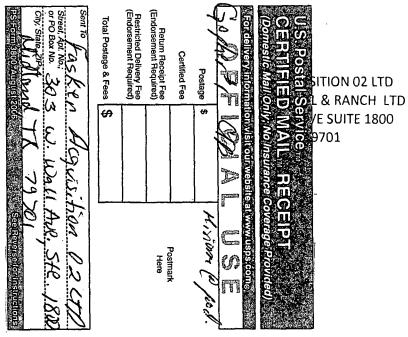
# GERHELDWALL



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

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1. Article Addressed to:	D. Is delivery address different from Item 1?
FASKEN ACQUISITION 02 LTD FBO FASKEN OIL & RANCH LTD	
303 W WALL AVE SUITE 1800 MIDLAND, TX 79701	3. Service Type  Certified Mail  Express Mail  Registered  Return Receipt for Merchandise
	☐ Insured Mail ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number 7009 2250 0004	1781 2064
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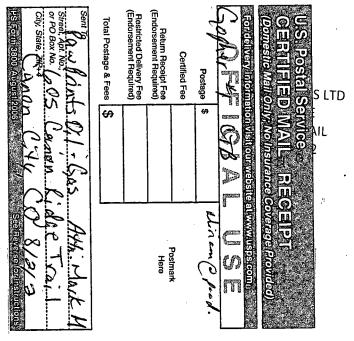
# GERITALED MAIL



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

ADDRESS SERVICE REQUESTED

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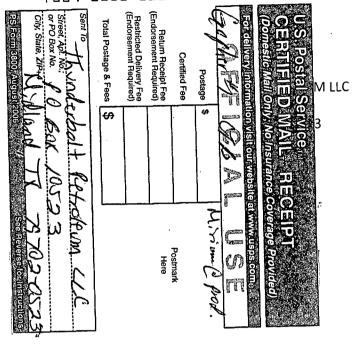


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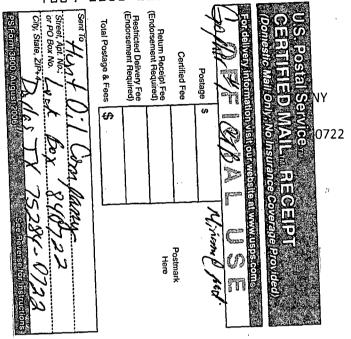


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	Article Addressed to:	D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: No
	THUDERBOLT PETROLEUM LLC P O BOX 10523	
	MIDLAND, TX 79702-0523	3. Service Type  Certified Mail
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1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
HUNT OIL COMPANY LOCK BOX 840722	
DALLAS, TX 75284-0722	3. Service Type  D Certified Mail □ Express Mail □ Registered □ Return Receipt for Merchandisa □ Insured Mail □ C.O.D.
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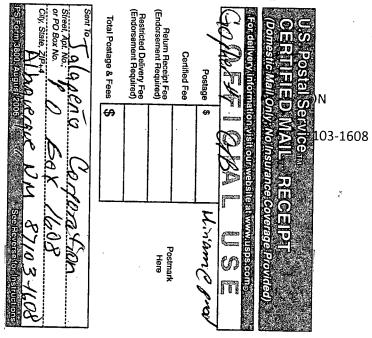
# CERTIFIED MAIL



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

ADDRESS SERVICE REQUESTED

7009 2250 0004 1781 2026 7009 2250 0004 1781 2026

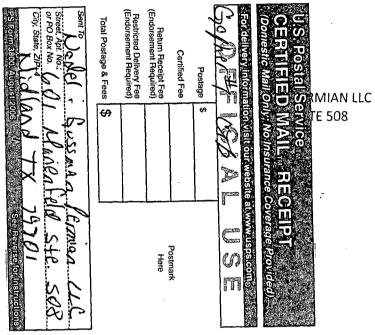


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	1. Article Addressed to:	D. Is delivery address different from item 1?
	JALAPENO CORPORATION P O BOX 1608	
	ALBUQUERQUE, NM 87103-1608	3. Service Type
		☐ Insured Mall ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes
1. 1.	2. Article Number 7009 2250 0004	1291 5056
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NADEL & GUSSMAN PERMIAN LLC 601 N MARIENFELD SUITE 508		
MIDLAND, TX 79701	3. Service Type  Certified Mail	ill elpt for Merchandise
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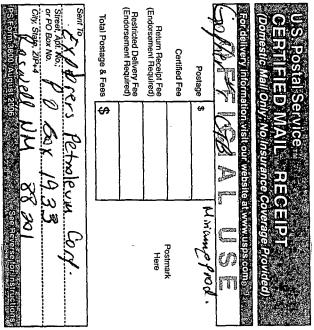
# CERTIFIED MAIL



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

ADDRESS SERVICE REQUESTED

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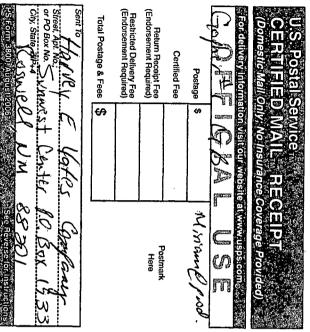
EXPLORERS PETROLEUM CORP P O BOX 1933 ROSWELL, NM 88201

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	2. Article Number 7009 2250 0004	1781 2149



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HARVEY E YATES COMPANY SUNWEST CENTRE P O BOX 1933 ROSWELL, NM 88201

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HARVEY E YATES COMPANY SUNWEST CENTRE			
	P O BOX 1933 ROSWELL, NM 88201	3. Service Type Certified Mail Express Mail Registered Return Receipt	or Marchandica
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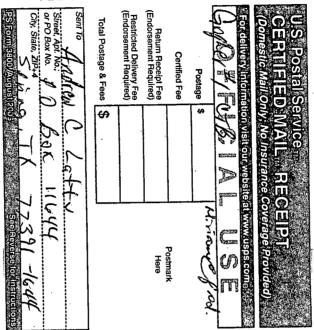
# GERTIFIED WAIL.



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

ADDRESS SERVICE REQUESTED

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ANDREW C LATTU P O BOX 11644 SPRING, TX 77391-1644

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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.	B. Received by ( Printed Name) C: Date of Delivery
1. Article Addressed to:	D. Is delivery address different from Item 1?  If YES, enter delivery address below:  No
ANDREW C LATTU P O BOX 11644	
SPRING, TX 77391-1644	3. Service Type    Discontinuous   Discontinuo
	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number 7009 2250 0004	1781 2125
PS Form 3811, February 2004 Domestic Ret	turn Receipt 102595-02-M-1540

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

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	7011	7011	Street, Apt. No.; or PO Box No.	box 1148	>
	•	•	City, State, ZIP+4	Fe DM	87504-118
			PS Form 3800, August 2	006	See Reverse for Instructions

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <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  X
Article Addressed to:	D. Is delivery address different from item 1?
New Mexico State Land Office Commissioner of Public Lands 310 Old Santa Fe Trail	
P.O. Box 1148 Santa Fe, New Mexico 87504-1148	3. Service Type Certifled Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from se 7011 2970 0002	0898 9342
PS Form 3811, February 2004 Domestic Ret	turn Receipt 102595-02-M-154