

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by (BLM) or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Miriam Morales
Print or Type Name

Signature

Production Analyst
Title

Date

mmorales@yatespetroleum.com
e-mail Address

PL 1284
Yates Petroleum Corp
2557

RECEIVED OCD
2015 APR 27 P 3:06

WCH
HAMACZ AND
Federal # 7
30-025-33345
- Connor 325 State
#104
30-025-40463

POW
- Cotton
RICH BONE
SPRING, EAST
- Cotton Draw
Delaware Gas
96646

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
Bone Spring #96556	41.7/1366	41.3/1296			
Delaware #96646	41.0/1225				

- (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 Analyst DATE: 4/23/15
TYPE OR PRINT NAME Miriam Morales TELEPHONE NO.: (575) 748-1471
E-MAIL ADDRESS: mmorales@yatespetroleum.com

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33345		Pool Code 96646	Pool Name Cottonwood -Wildcat Delaware
Property Code 14835	Property Name HARACZ "AMO" FEDERAL		Well Number 7
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3553

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	24S	32E		1650	NORTH	2310	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	17 OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature Clifton R. May	
	Printed Name Regulatory Agent	
	Title 2-8-96	
	18 SURVEYOR CERTIFICATION	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
	Date of Survey 2/06/96	
	Signature and Seal of Professional Surveyor HERSCHELL J. JONES NEW MEXICO 3640	
	Certificate Number 9640	

District I
PO Box 1980, Hobbs, NM 88241-1980
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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 311225-33345	Pool Code 96556	Pool Name Cottonwood WINDCAT-BONE SPRINGS
Property Code 14835	Property Name HARACZ "AMO" FEDERAL	Well Number 7
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3553

10 Surface Location

UL or lot no. F	Section 19	Township 24S	Range 32E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 2310	East/West line WEST	County LEA
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11 Bottom Hole Location If Different From Surface

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

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

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Clifton R. May Printed Name Clifton R. May Title Regulatory Agent Date 2-8-96	
	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey 2/06/96 Signature and Seal of Registered Surveyor Certificate Number 3640	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8161 Fax: (575) 393-8120

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax: (505) 476-3452

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 30-015-40963	Pool Code 96556	Pool Name Cotton Draw UNDESIGNATED BONE SPRING
Property Code 14835	Property Name HARACZ "AMO" FEDERAL	Well Number 10H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3575'

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	24	24 S	31 E		200	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	24	24 S	31 E		330	SOUTH	660	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160 E2E2			

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>SURFACE LOCATION Lat - N 32°12'34.47" Long - W 103°43'30.32" NMSPCE- N 440509.80 E 729457.00 (NAD-83)</p> <p>Penetration Point 677' FNL & 657' FEL</p> <p>Project Area →</p> <p>Producing Zone →</p> <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°11'47.46" Long - W 103°43'30.30" NMSPCE- N 435759.98 E 729485.70 (NAD-83)</p>	<p>Diagram showing well location and acreage dedication plat. The diagram includes a grid with dashed lines representing section boundaries. A vertical line represents the well location, with a horizontal line indicating the surface location. The well is located 200 feet from the North/South line and 660 feet from the East/West line. The bottom hole location is indicated by a point labeled 'B.H.' at the bottom of the well. The diagram also shows the penetration point and the producing zone.</p>	<p>OPERATOR CERTIFICATION</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>Cy Cowan</i> 8/8/12 Signature Date</p> <p>Cy Cowan Printed Name cy@yatespetroleum.com Email Address</p> <p>SURVEYOR CERTIFICATION</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>GARY L. JONES</i> Date Surveyed Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26951</p>
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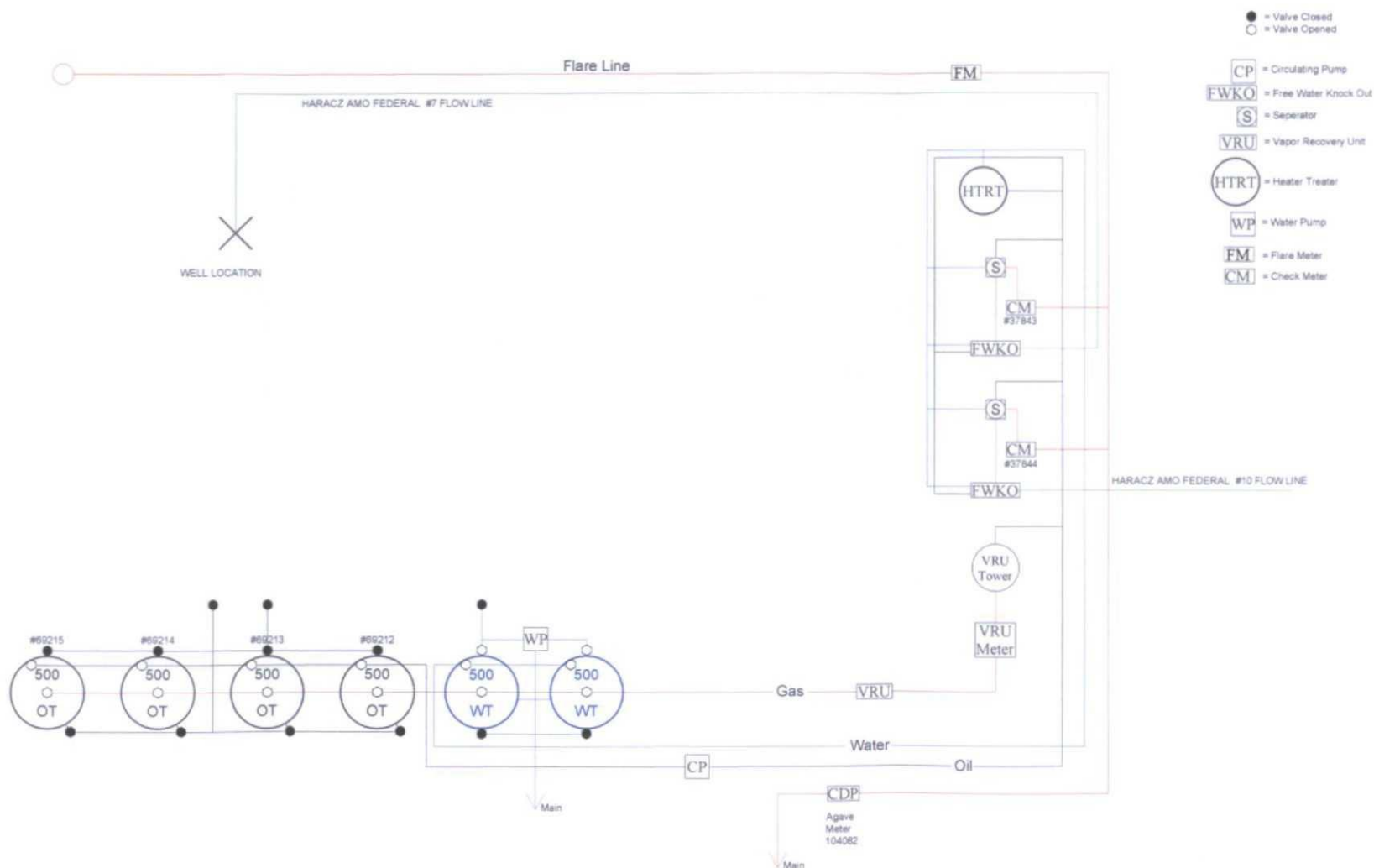


105 South 4th Street * Artesia, NM 88210
(575) 748-1471

-Aaron Bishop
-July, 2014

Haracz AMO Federal #7

1650' FNL & 2310' FWL * Sec 19 - T24S-R32E* Unit F
Lea County, NM
API - 3002533345



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

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

April 1, 2015


To whom it may concern:

The percentage ownership in the production from the following wells is identical in working, royalty, and overriding royalty interest as to the formations completed and producing from:

WELL NAME:	Haracz AMO Federal #7	Haracz AMO Federal #10H
LEASE:	NM-57274	NM-57274
LESSOR:	United States of America	United States of America
LESSEE:	Yates Petroleum Corporation	Yates Petroleum Corporation
COVERING:	<u>Township 24 South, Range 32 East, N.M.P.M.</u> Section 19: SE/4NW/4 Lea County, New Mexico	<u>Township 24 South, Range 31 East, N.M.P.M.</u> Section 24: E/2E/2 Eddy County, New Mexico
FORMATION(s):	Delaware and Bone Spring	Bone Spring
POOL(s):	Cotton Draw/Delaware Cotton Draw/Bone Spring, East	Cotton Draw/Bone Spring, East

I certify that this information is true to the best of my knowledge as of the date below.

YATES PETROLEUM CORPORATION



Chuck Moran
Chief Landman

April 1, 2015
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMNM57274

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

HARACZ AMO FEDERAL 10H

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: MIRIAM MORALES

E-Mail: mmorales@yatespetroleum.com

9. API Well No.

30-015-40963

3a. Address

105 S FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4200

10. Field and Pool, or Exploratory

COTTON DRAW; BONE SPRINGS

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

Sec 24 T24S R31E NENE 200FNL 660FEL

11. County or Parish, and State

EDDY COUNTY, NM

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

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

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

Notification to surface pool commingle production for the Haracz AMO #7 and the Haracz AMO #10H.
Application has been submitted to OCD.

The commingle production will be measured and sold/transferred at the Haracz AMO tank battery facilities located at SENW, Sec. 19-T24S-R32E.

The ownership is identical.

Please see site facility diagram and other documentation attach.

Royalty values will not be affected by this commingle.

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

**Electronic Submission #299158 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad**

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 04/23/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Well_Name: HARACZ AMO FEDERAL # 007
Location: F-19-24.0S-32E 1650 FNL 2310 FWL

API:

3002533345

Year: 2014
Pool Name COTTON DRAW;BONE SPRING EAST
Month Oil(BBLS) Gas(MCF) Water(BBLS)
August 8 1004 80
September 26 474 260
October 47 1314 455
November 28 2715 261
December 80 2387 383

Year: 2014
Pool Name COTTON DRAW;DELAWARE EAST
Month Oil(BBLS) Gas(MCF) Water(BBLS)
August 34 540 326
September 102 161 1037
October 188 612 1819
November 113 1367 1046
December 318 1285 1533

Year: 2015
Pool Name COTTON DRAW;BONE SPRING EAST
Month Oil(BBLS) Gas(MCF) Water(BBLS)
January 34 1044 325

Year: 2015
Pool Name COTTON DRAW;DELAWARE EAST
Month Oil(BBLS) Gas(MCF) Water(BBLS)
January 134 563 1299
February 129 382 1021

Pool Name COTTON DRAW;DELAWARE EAST
CUM 51252 102221

Pool Name COTTON DRAW;BONE SPRING EAST
CUM 2327 12732

Well_Name HARACZ AMO FEDERAL # 010H API: 3001540963
 Location: A-24-24.0S-31E 200 FNL 660 FEL
 Operator NYATES PETROLEUM CORPORATION County: Eddy

Year: 2014

Pool Name	COTTON DRAW;BONE SPRING	EAST
Month	Oil(BBLS)	Gas(MCF) Water(BBLS)
July	9995	9122
August	19213	29023
September	8430	12941
October	11737	19799
November	9821	19947
December	7204	16505

Year: 2015

Pool Name	COTTON DRAW;BONE SPRING	EAST
Month	Oil(BBLS)	Gas(MCF) Water(BBLS)
January	6028	11509
February	5013	10261
CUM	77441	129107