

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Yates

ADMINISTRATIVE APPLICATION CHECKLIST 30-005-64063

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 SLD
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

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[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.

MAYTE REYES Mate Reyes Production Clerk 5-24-10
 Print or Type Name Signature Title Date
mayte@yatespetroleum.com
 e-mail Address

in

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 4TH STREET, 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.
(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 attach 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

- ☒ A schematic diagram of facility, including legal location.
☒ A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
☒ 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:

Yvonne Reyes

TITLE:

PRODUCTION CLERK

DATE:

5-24-2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☐ Well ☒ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No.

105 South Fourth Street, Artesia, NM 88210 (505) 7481471

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

1980' FSL & 660' FWL, Sec.6-T12S-R27E (Unit L, NWSW)

5. Lease Designation and Serial No.
NM-101580

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Grid Iron BLI Federal Com #2

9. API Well No.

30-005-64063 ✓

10. Field and Pool, or Exploratory Area

Coyote/Wolfcamp

11. County or Parish, State

Chavez County, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Off Lease Measurement

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing-
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request approval for off lease measurement for the following well:

Grid Iron BLI Federal Com #2
Section 6-T12S-R27E
Coyote Wolfcamp
API #30-005-64063
Chavez County, NM
Federal Lease # NM-101580

The gas and oil from the Grid Iron BLI Federal Com #2 will be measured and sold on the Football BCF Federal #2H Sec-1-T12S-R26E.

"Note: Per rancher request, this application is being filed. Well will have it's own tank and meter and all equipment is located on Federal land." No surface commingle will take place.

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

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

Signed

Marilyn Rego

Title Production Secretary

Date May 24, 2010

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

DISTRICT I
1225 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesa, NM 88210

DISTRICT III
1000 E. Bruce Rd., Artesa, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30.005.6406.3	Pool Code 97361	Pool Name Wolfcamp; Coyote (G)
Property Code 37239	Property Name GRIDIRON "BLI" FEDERAL COM	Well Number 2
OGRIID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3739'

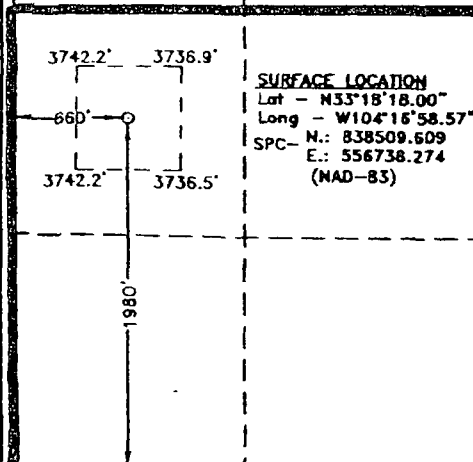
Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	6	12 S	27 E		1980	SOUTH	660	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres S/2 320 acres		Joint or Infill		Consolidation Code		Order No.			

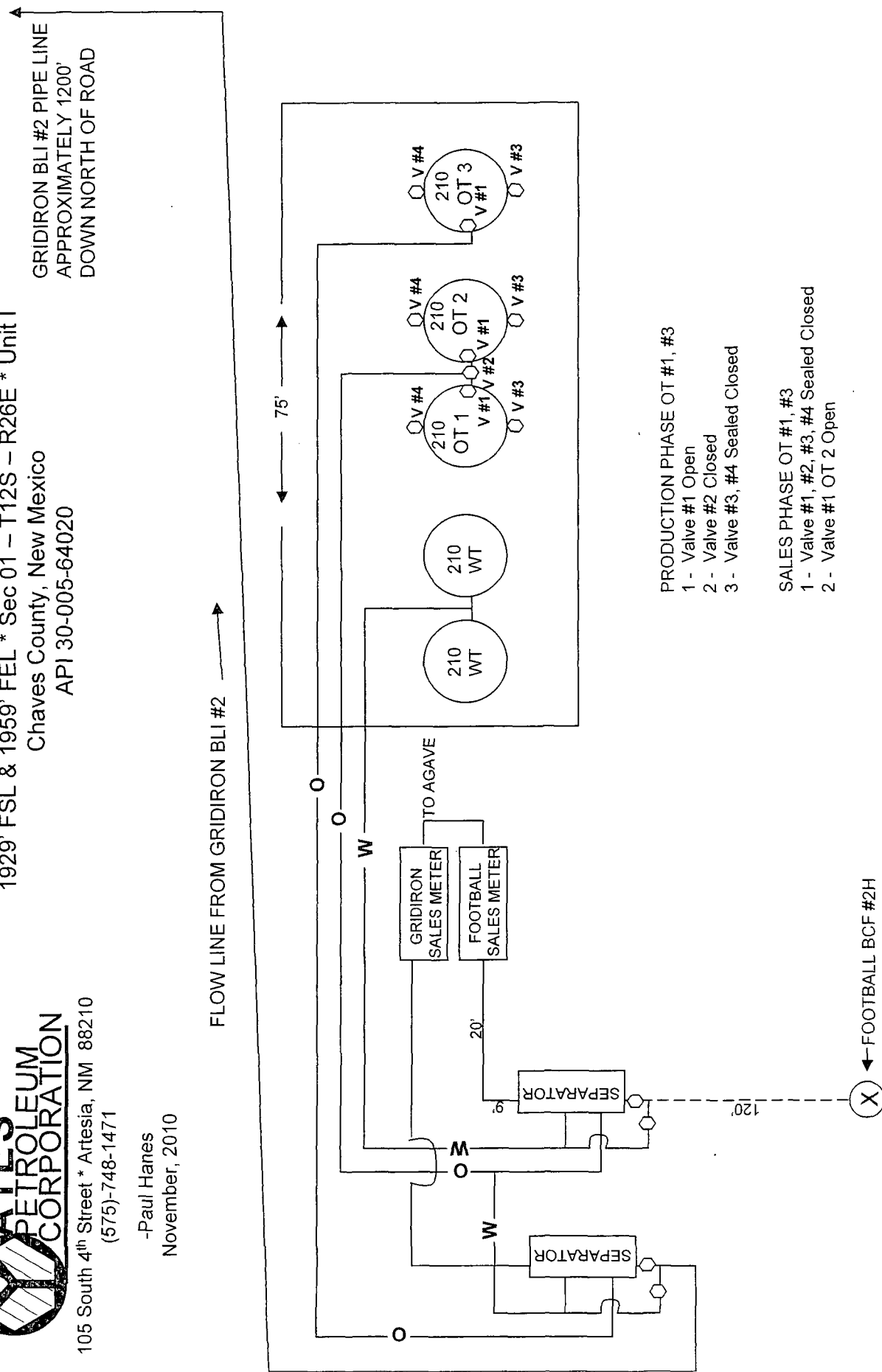
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	NM-101580	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 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: <u>Debbie L. Caffall</u> Date: <u>8/21/2008</u> Printed Name: _____
		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. AUG 21 2008 Data Surveyed by: <u>W.O. Jones</u> Signature & Seal of Professional Surveyor: <u>W.O. Jones</u> Certificate No. <u>Gory L. Jones 7977</u> BASIN SURVEYS



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

-Paul Hanes
November, 2010



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

SCOTT M. YATES
VICE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

May 25, 2010

Re: Off Lease Measurement
Coyote/ Wolfcamp
Chavez County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request approval for off lease measurement for the following well:

Grid Iron BLI Federal Com #2
Section 6-T12S-R27E
Coyote Wolfcamp
API #30-005-64063
Chavez County, NM
Federal Lease # NM-101580

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"Note: Per rancher request, this application is being filed. Well will have it's own tank and meter and all equipment is located on Federal land." No surface commingle will take place.

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

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (575) 748-4213 (direct line).

Sincerely,

Mayte Reyes
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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Sincerely,

Mayte Reyes
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



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ARTESIA, NEW MEXICO 88210-2118
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Sincerely,

Mayte Reyes
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
TELEPHONE (575) 748-1471

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If you should have any questions, please give me a call at (575) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: Yates Drilling Company.

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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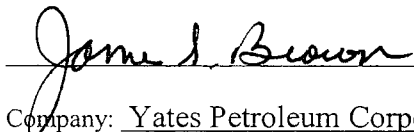
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Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application



Company: Yates Petroleum Corporation.

7009 2250 0004 1781 0831
7009 2250 0004 1781 0831

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFF LEASE MEASUREMENT / **GRIP LOCK # 1**

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

Total P

Sent To
Bureau of land Management
2909 West 2nd
Roswell, NM 88201

PS Form 3800, August 2006 See Reverse for Instructions

Bureau of land Management
2909 West 2nd
Roswell, NM 88201

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
Bureau of land Management
2909 West 2nd
Roswell, NM 88201

2. Article Number
(Transfer from service label)
7009 2250 0004 1781 0831

PS Form 3811, February 2004
Domestic Return Receipt
102595-02-M-1540

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 ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail
☐ Registered
☐ Return Receipt for Merchandise
☐ Insured Mail
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No