

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

5. Lease Serial No

NM-1372

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.

Warren ANW Federal #1

9. API Well No.

30-015-27748

10. Field and Pool or Exploratory Area

Penasco Draw; San Andres/Yeso

11. County or Parish, State

Eddy County, New Mexico

1. Type of Well



Oil Well



Gas Well



Other PA

2. Name of Operator

Yates Petroleum Corporation

3a. Address

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

3b. Phone No. (include area code)

575-748-1471

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

1980' FSL &amp; 660' FWL Sec. 9-T19S-R25E Unit L, NWSW

## 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 Off lease
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	measurement
	<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 recomplate 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 recomplate 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 respectfully requests approval to off lease measurement on the following wells:

Warren ANW Federal #1  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-27748  
Eddy County, NM

Accepted for record  
NMOCD  
7/10/2012

Warren ANW Federal #2  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-28147  
Eddy County, NM

RECEIVED

JUL 09 2012

NMOCD ARTESIA

Please see attached continuation

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Miriam Morales

Title Production Analyst

Signature

Date

6/21/2012 (re-submitted)

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title LPET

Date 7/5/12

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 (FO)

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.

(Instructions on page 2)

**Continuation on off lease measurement for Warren ANW Federal #1**

The production will be measured and sold at the Thomas AJJ Deep Com #3 located at Sec. 8-T19S-25E under CA #NM-109703. Please see attached plats and site security diagram.

Identical ownership and pools. A list of all owners being notified is attached as well as in house waivers.

**Oil measurement**

Tanks will be isolated and no surface commingling will take place.

**Gas Measurement**

Each well will have its own meter, and will be transferred to Dagger Draw PRC PT.

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

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 Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

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 August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-27748	<sup>2</sup> Pool Code 50270	<sup>3</sup> Pool Name Penasco Draw; San Andres-Yeso
<sup>4</sup> Property Code 13108	<sup>5</sup> Property Name Warren ANW Federal	<sup>6</sup> Well Number 5021
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3528'GR

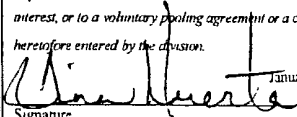
<sup>10</sup> Surface Location

UL or lot no. L	Section 9	Township 19S	Range 25E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line West	County Eddy
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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
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup>					<sup>17</sup> 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 January 30, 2012 Tina Huerta Printed Name tina@yatespetroleum.com E-mail Address
					<sup>18</sup> 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 _____ Signature and Seal of Professional Surveyor _____  Certificate Number _____

660'W  
1980'S

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

2nd Copy 5-23-11  
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 30-015-28147	<sup>2</sup> Pool Code 4746 50210	<sup>3</sup> Pool Name Penasco Draw; San Andres-Yeso
<sup>4</sup> Property Code 13108	<sup>5</sup> Property Name Warren ANW Federal	<sup>6</sup> Well Number 2
<sup>7</sup> OGRIN No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3527 GR

<sup>10</sup> 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	9	19S	25E		660	South	660	West	Eddy

<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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div>16</div> <div>660'W</div> <div>660'S</div>				<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete in the best of my knowledge and belief, and that this organization either owns a working interest or undivided 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>Tina Huerta</i> April 22, 2011 Signature Date</p> <p>Tina Huerta Printed Name</p> <p>tina@yatespetroleum.com E-mail Address</p>
				<div>18 SURVEYOR CERTIFICATION</div> <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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>



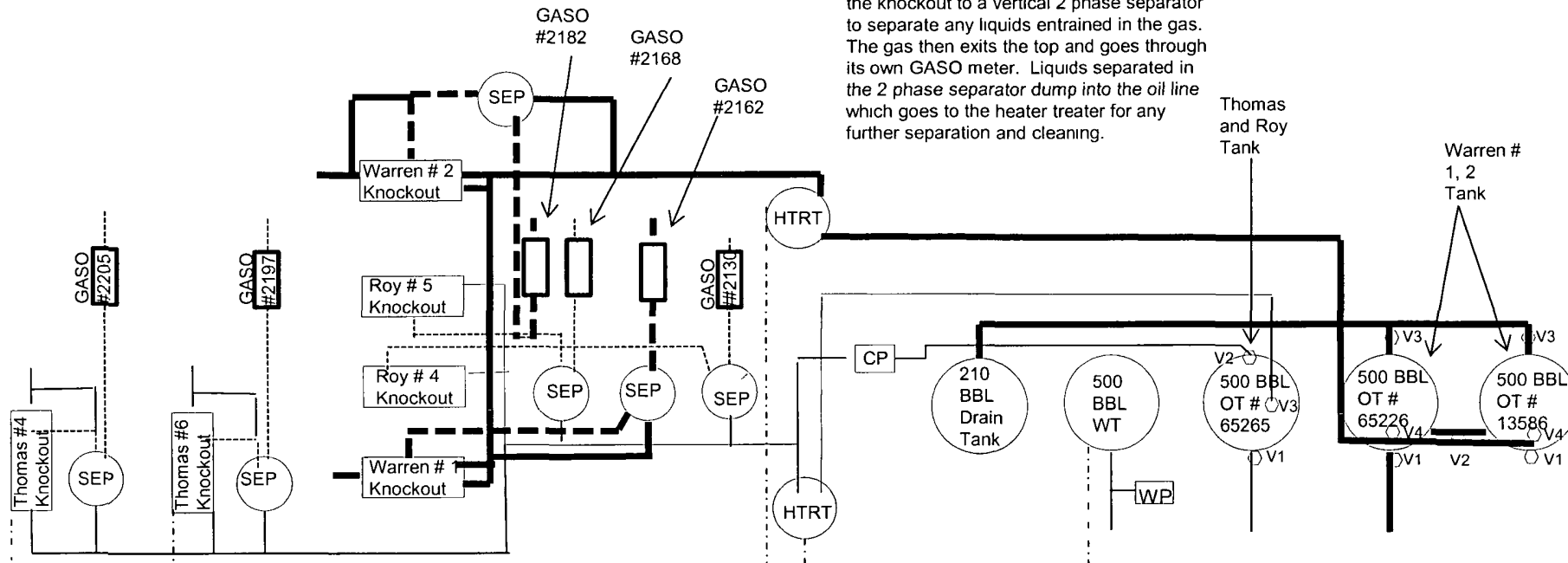
105 South 4<sup>th</sup> Street \* Artesia, NM 88210  
(575)-748-1471

-Chance Sexton  
April, 2012

## THOMAS AJJ #3 BATTERY

1980' FSL & 1980' FEL \* Sec8 – T19S R25E \* Unit J  
Eddy County, New Mexico  
API - 3001526824

Note: Each well goes through its own individual knockout. Its gas then goes from the knockout to a vertical 2 phase separator to separate any liquids entrained in the gas. The gas then exits the top and goes through its own GASO meter. Liquids separated in the 2 phase separator dump into the oil line which goes to the heater treater for any further separation and cleaning.



### Thomas AJJ and Roy

Production System Open

Sales: Tank gauge to tank truck

I. Production – Tank #65265

- valve # 3 open
- valve # 1 sealed closed
- valve # 2 sealed

II. Sales

- valve # 3 sealed closed
- valve # 1 open
- valve # 2 sealed closed

### Warren#1 and #2

Production System Open

Sales: Tank gauge to tank truck

I. Production phase Tank #65226

- valve # 4 open
- valve # 2 open
- valve # 3 sealed
- valve # 1 sealed closed
- valves on tank #13583 positioned:
  - valve # 4 close
  - valve # 3 sealed closed
  - valve # 1 sealed closed

II. Sales phase Tank #65226

- valve # 4 sealed closed
- valve # 2 sealed closed
- valve # 3 sealed closed
- valve # 1 open
- valves on tank # 13586 positioned:
  - valve # 4 open
  - valve # 3 sealed
  - valve # 1 sealed closed

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

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

April 26, 2012

RE: Off Lease Measurement  
Warren ANW Federal #1  
Eddy County, NM

Dear Interest owner,

Yates Petroleum is notifying you of an Off lease measurement on the following wells:

Warren ANW Federal #1  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-27748  
Eddy County, NM

Warren ANW Federal #2  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-28147  
Eddy County, NM

The production will be measured and sold at the Thomas AJJ Deep Com #3 located at Sec. 8-T19S-25E under CA #NM-109703.

Identical ownership and pools.

**Oil measurement**

Tanks will be isolated and no surface commingling will take place.

**Gas measurement**

Each well will have its own meter.

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

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.

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

  
Yates Petroleum Corporation

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

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API #30-015-27748  
Eddy County, NM

Warren ANW Federal #2  
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Fed. Lease #NM-1372  
API #30-015-28147  
Eddy County, NM

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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.

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

John A. Yates

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

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1914-2008



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

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JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

April 26, 2012

RE: Off Lease Measurement  
Warren ANW Federal #1  
Eddy County, NM

Dear Interest owner,

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Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-27748  
Eddy County, NM

Warren ANW Federal #2  
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Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-28147  
Eddy County, NM

The production will be measured and sold at the Thomas AJJ Deep Com #3 located at Sec. 8-T19S-25E under CA #NM-109703.

Identical ownership and pools.

**Oil measurement**

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**Gas measurement**

Each well will have its own meter.

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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.

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

Trust O U/W/O Peggy A. Yates, deceased

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

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  
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VICE PRESIDENT

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CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

April 26, 2012

RE: Off Lease Measurement  
Warren ANW Federal #1  
Eddy County, NM

Dear Interest owner,

Yates Petroleum is requesting administrative approval from the Bureau of Land Management and the Oil Conservation Division to Off lease measurement on the following wells:

Warren ANW Federal #1  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-27748  
Eddy County, NM

Warren ANW Federal #2  
Penasco Draw; San Andres-Yeso  
Sec. 9-T19S-R25E  
Fed. Lease #NM-1372  
API #30-015-28147  
Eddy County, NM

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Identical ownership and pools.

**Oil measurement**

Tanks will be isolated and no surface commingling will take place.

**Gas measurement**

Each well will have its own meter.

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

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.

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)

Sincerely,

Miriam Morales  
Production Analyst

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

## List of Owners

BLUE WHALE PARTNERSHIP  
P O BOX 20681  
AMARILLO, TX 79114

ERIC J COLL  
P O BOX 1818  
ROSWELL, NM 88202

CLARKE C COLL  
P O BOX 1818  
ROSWELL, NM 88202

JAMES D CHILDRESS  
P O BOX 3209  
ROSWELL, NM 88202-3209

SHIRLEY CHILDRESS  
604 N DELAWARE AVE #2  
ROSWELL, NM 88201-2135

CHARLES H COLL  
P O BOX 1818  
ROSWELL, NM 88202-1818

SALLY RODGERS COLL  
152 B ARROYO HONDO RD  
SANTA FE, NM 87508

JON F COLL  
P O BOX 1818  
ROSWELL, NM 88202-1818

JON F COLL II  
7335 WALLA WALLA DR  
SAN ANTONIO, TX 78250-5242

MAX W COLL II  
83 LA BARBARITA TRAIL  
SANTA FE, NM 87505-9008

MAX W COLL III  
7625 EL CENTRO BLVD #2  
LAS CRUCES, NM 88012-9323

LYNN E DESPER  
380 LOS RANCHOS RD NW  
ALBUQUERQUE, NM 87107-6532

MELANIE COLL DETEMPE  
5653 TOBIAS AVE  
VAN NUYS, CA 91411

RICHARD H LANDSHEFT JR  
2313 JIM DENT  
EL PASO, TX 79936

MARSHALL & WINSTON INC  
P O BOX 50880  
MIDLAND, TX 79710-0880

SANTO PETROLEUM  
C/O SACRAMENTO PARTNERS  
PO BOX 1020  
ARTESIA, NM 88211

DUSTY SANDERSON  
7802 BENNINGTON DR  
AMARILLO, TX 79119-4994

YATES INDUSTRIES, LLC  
PO BOX 1091  
ARTESIA, NM 88211

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

PAYNE-JOHNSTON MANAGEMENT INC  
ACCOUNT #1 & 2  
801 FIRST PLACE  
TYLER, TX 75702

EVERETT R SHARP  
407 ROCK CREEK DR  
PEACHTREE CITY, GA 30269-3449

WILLIAM BRIAN LANDSHEFT  
RT 6 15880 S PEORIA  
BIXBY, OK 74008

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

7010 2780 0002 8287 9737  
7010 2780 0002 8287 9737

US Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For Detailed Information Visit Our Website at <a href="http://usps.com">http://usps.com</a>	
10/20/05 12:00 PM 10/20/05	
Postage	\$
Certificate Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Minimé j'ai	
Sent To	
Street, Apt. No. or PO Box No.	
City, State, ZIP	
1220 S Saint Francis Dr Santa Fe NM 87505	

Oil Conservation Division  
1220 S Saint Francis Drive  
Santa Fe, NM 87505

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Off-Lease Measurement**

**Conditions of Approval: Yates Petroleum Corporation  
Warren ANW Federal #1 & #2  
NM1372, 3001527748 & 3001528147**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.