

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA
HOBBS OCD

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS **SEP 21 2015**
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.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side. RECEIVED

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached

8. Well Name and No.
Multiple--See Attached

9. API Well No.
Multiple--See Attached

10. Field and Pool, or Exploratory
PARKWAY
WILDCAT

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator Contact: MIRIAM MORALES
YATES PETROLEUM CORPORATION -Mail: mmorales@yatespetroleum.com

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4200

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

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 recomplete 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.)

Yates Petroleum respectfully requests approval to Surface lease (CA)commingle the Nucleus BGN Fed #1H and the Focus BDB Fed #1H oil production only.

The commingle production will be measured and sold at the Nucleus BGN Fed. #1H battery located at SWNW, Sec. 31-T19S-R30E.

Diversified ownership(WI/OR). All owners will be notified (see attach).

Please see site facility diagram and all other documentation attach.

Royalty values will not be affected by this commingle.

Accepted for record
UDS NM OCD 9/24/15
NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 24 2015

30-015-3924/

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

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

**Electronic Submission #253186 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH HAM on 11/24/2014 (15DMH0122SE)**

Name (Printed/Typed) MIRIAM MORALES	Title PRODUCTION ANALYST
Signature (Electronic Submission)	Date 07/15/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>09/15/2015</u>
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 Carlsbad

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.

Additional data for EC transaction #253186 that would not fit on the form

5. Lease Serial No., continued

NMNM85909
NMNM89049

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM85909	NMNM85909	FOCUS BDB FEDERAL 1H	30-015-39421-00-S1	Sec 31 T19S R30E NWNW 560FNL 330FWL
NMNM89049	NMNM89049	NUCLEUS BGN FEDERAL 1H	30-015-39241-00-S1	Sec 31 T19S R30E Lot 2 1750FNL 330FWL

Continuation of Focus BDB #1H surface lease (CA) Commingle

Federal Lease #NM-85909

<u>Well name</u>	<u>Pool #49622</u>	<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Focus BDB Federal #1H Sec. 10-T19S-R25E, NWNW API #30-015-39421 Eddy County, NM	Parkway; Bone S	*150	*42	*200	*1209

CA #unavailable at this time

Nucleus BGN Federal Com #1H Sec. 31-T19S-R30E, SWNW API #30-015-39241 Eddy County, NM	Parkway; Bone S	*150	*42	*200	*1209
--	-----------------	------	-----	------	-------

*This is an estimated production, updated information will be provided upon well completion with updated diagram.

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Nucleus BGN Fed #1H. 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. Any vapor recovery gas shall be included in this application.

Gas Measurement

Each well will have its own sales meter and no commingling will take place.

The purpose of the Surface/lease Commingle of production is in the interest of conservation, 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.



105 South 4th Street • Artesia, NM 88210

(505) 748-1471

-Keith Hutchens

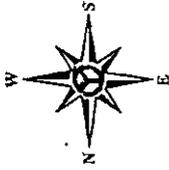
-July, 2014

Nucleus BGN Fed Com #1H

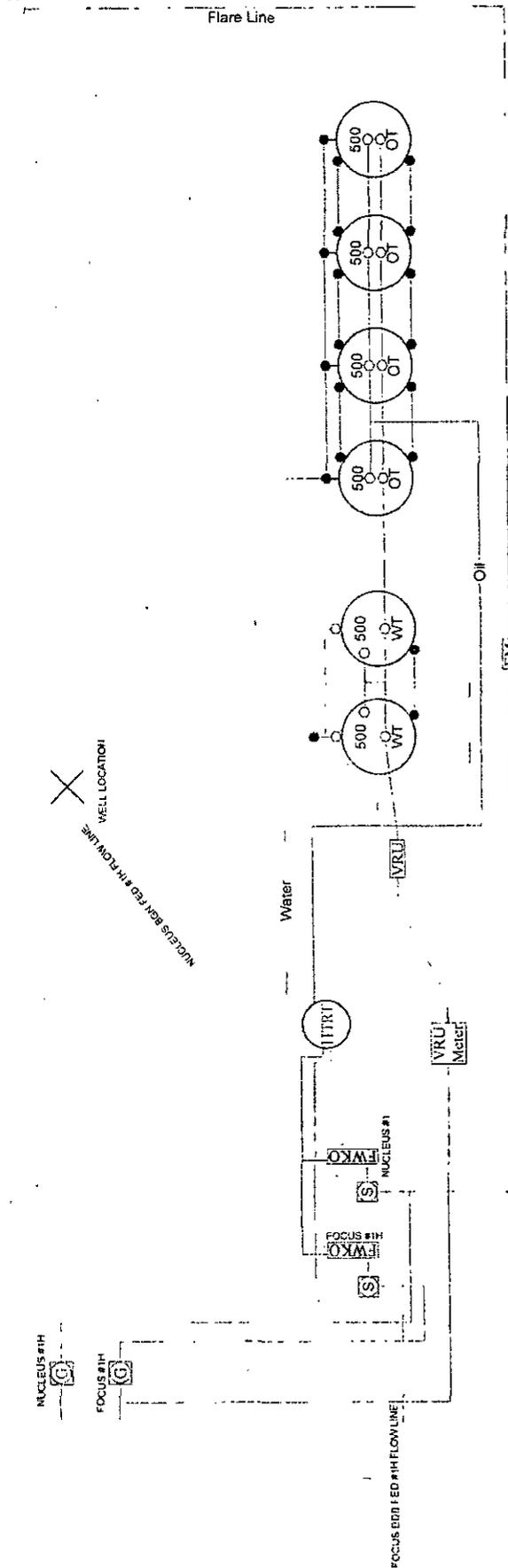
1750' FNL & 330' FWL * Sec 31 - T19S-R30E* Unit E

Eddy County, NM

API - 3001539241



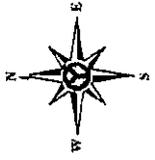
- Valve Closed
- Valve Open
- FM = Flow Meter
- G = Gas Meter
- FWKO = Free Water Knock Out
- S = Separator
- VRU = Vapor Recovery Unit
- HTRU = Heater Treater



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



115 SOUTH FUENTE (781) 7-1471
ARTESIA, NEW MEXICO 87010



LEGEND

- Lease boundaries
- CA boundaries
- OIL WELL PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE
T19S R30E

SECTION
FOOTAGE
31

NM STATE

US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-10-14

COUNTY: EDDY

STATE: NEW MEXICO

SHEET NUMBER: 1 OF 1

SCALE: 1" = 1/8 MILE

TITLE:

THIS MAP HAS BEEN CAREFULLY
COMPILED AND PRINTED BY YATES
PETROLEUM CORPORATION FROM
AVAILABLE INFORMATION FROM
PETROLEUM CORPORATION. YATES
PETROLEUM CORPORATION DOES NOT
WARRANT THE ACCURACY OF THIS
MAP OR INFORMATION DELINEATED
HEREON.
NOR DOES YATES PETROLEUM
CORPORATION ASSUME
RESPONSIBILITY FOR ANY RELIANCE
THEREON. RECIPIENT AGREES NOT TO
COPY, DISTRIBUTE OR DIGITIZE THIS
MAP WITHOUT EXPRESS CONSENT
FROM YATES PETROLEUM
CORPORATION OR ITS AFFILIATES.

FRESH
WATER
RESERVOIR

(MEWBOURNE)

FOCUS
RDR #1H

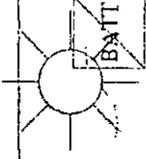
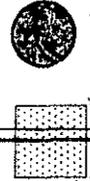
NUCLEUS
BGN #1H

NM 85909

NM-62310

NM-62311

NM-89049



CA # unavailable

FRESH WATER
RESERVOIR #2H



100 SOUTH OF HWY 170 7.48-1471
ARTESIA, NEW MEXICO 88210



LEGEND

- OIL WELL PROPOSED
- ☀ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE
T15S R30E

SECTION
FOOTAGE

NM STATE

US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-08-14

COUNTY: EDDY

STATE: NEW MEXICO

SHEET NUMBER: 1 OF 1

SCALE: 1" = 1/16 MILE

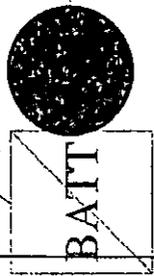
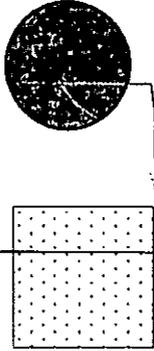
TITLE

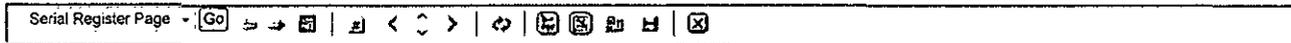
THIS MAP HAS BEEN CAREFULLY
 COMPILED AND PRINTED BY YATES
 PETROLEUM CORPORATION FROM
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 THEREON. RECIPENT AGREES NOT TO
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 MAP WITHOUT EXPRESS CONSENT
 FROM YATES PETROLEUM
 CORPORATION OR ITS AFFILIATES.

(MEWBOURNE)

ESCOSH
FREE

COLLETS
MOUNTAIN





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**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Date: 07/10/2014

01 02-25-1920;0415TAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

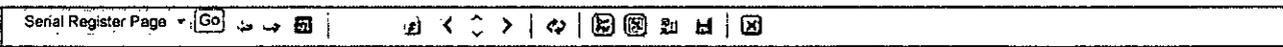
Total Acres 79.280
Serial Number NMNM--062210

Name & Address	Serial Number: NMNM--062210	Int Rel	% Intere	
ABD PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.00000000
DAVID PETROLEUM CORP	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MC MILLAN COLIN R	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.00000000
NADEL & GUSMAN PERMIAN LLC	801 N MARSHFIELD #508	MIDLAND TX 79701	OPERATING RIGHTS	0.00000000
NADEL & GUSMAN PERMIAN LLC	801 N MARSHFIELD #508	MIDLAND TX 79701	LESSEE	100.00000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 77227570	OPERATING RIGHTS	0.00000000
PERMIAN EXPL CORP	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.00000000

Mer Typ	Rng	Sec	STYP	S/Nr	Subdivision	District/Field Office	County	Memt Agency
23	0100	0300E	031	AUD	SEMM	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
21	0100	0300E	031	LOTS	2	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
21-03-1992	77	CASE ESTABLISHED	JF74477	1992 03 06
21-03-1992	66	INSTRUMENT RECEIVED		1992 03 05
21-05-1992	237	LEASE LOGFILE		1992 05 22
02-13-1992	60	RECEIVED INSTRUMENT		1992 05 17
02-23-1992	143	CASE MICROFILMED	CHRG 553,488	1992 05 23
02-01-1992	196	FILED COPY	0521-1700	1992 03 02
02-01-1992	510	RENTY RATE = 12 1/2%		1992 07 01
02-01-1992	169	EFFECTIVE DATE		1992 07 01
02-01-1992	110	ASNY FILED	PERSE ARCHIVAL	1992 06 09
02-01-1992	131	ASNY APPROVED	241-001-1700	1992 06 11
02-01-1992	111	RENTAL RECEIVED	10431-8	1992 07 25
02-01-1992	111	RENTAL RECEIVED	80247-8	1992 07 27
02-01-1992	111	AUTOMATED RECORD VERIFY		1992 07 27
02-01-1992	111	RENTAL RECEIVED	241-001-1700-8	1992 07 27
02-01-1992	111	RENTAL RECEIVED	241-001-1700-8	1992 07 27
02-01-1992	578	ASNY FILED	FILED BY: J. MILLER	1992 07 27
02-01-1992	576	ASNY APPROVED	PERSE ARCHIVAL	1992 07 27
02-01-1992	111	RENTAL RECEIVED	80247-8	1992 07 27
02-01-1992	577	TRF OPER RPT FILED	ARCHIVED DATE 13 A.	1992 07 27
02-01-1992	578	TRF OPER RPT APPROVED	EFF 13-02-92	1992 07 27
02-01-1992	579	AUTOMATED RECORD VERIFY		1992 07 27
02-01-1992	580	TRF OF O&G FILED		1992 07 27
02-01-1992	111	RENTAL RECEIVED	241-001-1700	1992 07 27
02-01-1992	111	RENTAL RECEIVED	241-001-1700	1992 07 27
02-01-1992	111	RENTAL RECEIVED	241-001-1700	1992 07 27
02-01-1992	577	TRF OF O&G FILED		1992 07 27
02-01-1992	578	TRF OF O&G FILED	ARCHIVED DATE 13 A.	1992 07 27
02-01-1992	579	TRF OF O&G APPROVED	EFF 13-02-92	1992 07 27
02-01-1992	580	AUTOMATED RECORD VERIFY		1992 07 27

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



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**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Date: 07/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE Total Acres 159.260 Serial Number NMNM-- 085909
 Case Type 312021: O&G LSE COMP PD -1987
 Commodity 459: OIL & GAS L
 Case Disposition: AUTHORIZED

Serial Number: NMNM-- 085909

Name & Address	Int Rel	% Intere
ASO PETRO CORP	ARTESIA NM 88210	LESSEE 18 668700000
DAVID PETROLEUM CORP	ROSWELL NM 88201	LESSEE 10 817500000
K & C PRODUCTION CO	ROSWELL NM 88201	LESSEE 8 375000000
MYCO INDUSTRIES INC	ARTESIA NM 88210	LESSEE 16 668700000
OXY-Y-I COMPANY	HOUSTON TX 772273750	LESSEE 16 668700000
PERMAN EXPL CORP	ROSWELL NM 88201	LESSEE 4 687500000
YATES PETRO CORP	ARTESIA NM 88210	LESSEE 25 600000000

Serial Number: NMNM-- 085909

Mer Typ	Rm	Sec	S Type	Sbr Suf	Subdivision	District/Field Office	County	Memt Agency
21	0180	030E	031	ALLO	NDEJENM	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
21	0180	030E	031	LOTS	L	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 085909

Act Date	Code	Action	Action Remark	Pending Office
10/17/1987	101	LEASE ESTABLISHED	9310122	
10/17/1987	101	SALE HELD		
10/17/1987	149	BID RECEIVED	5184000.000	
10/17/1987	192	NOTICES RECEIVED	5181000.000	
12/11/1987	157	LEASE ISSUED		
11/01/1991	196	ENR CORRECTED	357141000	
01/01/1992	196	SETP RATE 1/1/92		
01/01/1992	368	EFFECTIVE DATE		
11/10/1991	111	RENTAL RECEIVED	5145170000000000000000	
01/23/1992	600	RECORDS INDEXED		
02/12/1992	919	TRF OF OWN FILED		
24/16/1992	492	AUTOMATIC RECORD VERIFY		LEASER
11/18/1992	111	RENTAL RECEIVED	9147100000000000	
11/18/1992	111	RENTAL RECEIVED	8237100000000000	
03/01/1994	147	ADN FILED	1827100000000000	
03/07/1994	157	ADN APPROVED	8711000000000000	
03/07/1994	74	AUTOMATIC RECORD VERIFY		RECORDED
11/14/1994	111	RENTAL RECEIVED	8245100000000000000000	
07/11/1995	74	LEASE COMMITTED TO CA	1188000000000000	
07/11/1995	446	MEMO OF LIST FWD-ALLO	1188000000000000	
12/28/1995	601	HELD BY FPOD - ALLOCATED	1188000000000000	
12/28/1995	627	PRODUCTION DETERMINATION	1188000000000000	
05/12/2011	147	LEASE CHANGES RECORDED	1825100000000000	

Serial Number: NMNM-- 085909

Line Nr	Remarks
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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 09:16 AM
Page 1 of ?

Run Date: 07/10/2014

01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

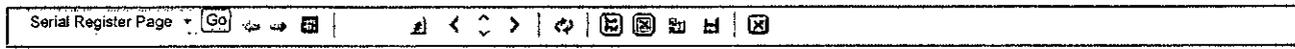
Total Acres 200.000
Serial Number NMNM-- 062211

Name & Address		Serial Number: NMNM-- 062211	Int Rel	% Intere
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88216	OPERATING RIGHTS	0.00000000
DAVID PETROLEUM CORP	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MC MILLAN COLIN R	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88216	OPERATING RIGHTS	0.00000000
OKY Y41 COMPANY	PO BOX 22970	HOUSTON TX 77227570	OPERATING RIGHTS	0.00000000
PERMIAN EXPL CORP	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88216	OPERATING RIGHTS	0.00000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88216	LESSEE	100.00000000

Mer Typ	Rng	Sec	S Typ	S Nr	Sub Division	District/Field Office	County	Man Agency
23	01903	0300E	031	AUJ	SWNE SE	CARLSBAD FIELD OFFICE	ECBY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
01/02/1920	121	CASE ESTABLISHED	REPORT...	
11/09/1965	041	DRAWING MADE		
05/01/1988	257	LEASE ISSUED		
08/12/1991	407	RECORDS NOTED		
09/16/1991	403	DATE MICROFILMED	CHK 11/1/91	AL
09/21/1991	496	DATE...	09/21/1991	
09/21/1991	500	DAILY RATE...		
09/21/1991	502	EFFECTIVE DATE		
06/16/1996	111	RENTAL RECEIVED	\$0.10=01	
06/23/1991	121	RENTAL RECEIVED	10/14 - 08	
04/21/1995	331	AUTOMATIC RECORD VERIFY		10/14/95
11/12/1999	111	RENTAL RECEIVED	\$276.00/11/12/99-01	
07/17/1997	111	RENTAL RECEIVED	3,000.00/07/17/97-99	
08/07/1997	142	ANAL FILED	MANAGEMENT/RECORDS/STRT	
10/03/1995	131	ASPH APPROVED	EFF 10/01/95	
11/23/1991	371	AUTOMATIC RECORD VERIFY		10/03/95
10/30/1992	575	ADD FILED	PROD PLAN 09/10/92	
11/11/1997	576	ADD APPROVED	400 AGRI FILE NO 1	
07/15/1997	111	RENTAL RECEIVED	\$209.00/07/15/97	
09/11/1996	501	DRY OPER RICE FILED	MANAGEMENT BY AL	
11/26/1990	303	DRY OPER RICE RECEIVED	EFF 11/11/90	
11/26/1990	371	AUTOMATIC RECORD VERIFY		11/26/90
02/11/1991	491	DRY OPER FILED		
09/25/1991	111	RENTAL RECEIVED	\$119.00/09/25/1991	
07/12/1993	111	RENTAL RECEIVED	\$090.00/07/12/93	
01/01/1993	301	DRY OPER RICE FILED	MANAGEMENT BY BLM	
01/01/1993	371	DRY OPER RICE APPROVED	EFF 01/01/93	
09/21/1991	371	AUTOMATIC RECORD VERIFY		09/21/91
09/27/1991	101	RENTAL RECEIVED	\$200.00/09/27/1991	
09/21/1991	216	LEASE COMMENCED TO CA	10/03/1991	

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Page 1 of 1

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Date: 07/10/2014

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD-1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres 40.000
Serial Number NMNM--089049

Name & Address		Serial Number: NMNM--089049	Int Rel	% Intere
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	16.66700000
DAVID PETROLEUM CORP	116 W 1ST ST	ROSWELL NM 88201	LESSEE	10.91750000
K & C PRODUCTION CO	116 W 1ST ST	ROSWELL NM 88201	LESSEE	9.37500000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	LESSEE	16.66890000
GAY Y-I COMPANY	PO BOX 27579	HOUSTON TX 772277579	LESSEE	16.66890000
PERMAN EXPL CORP	116 W 1ST ST	ROSWELL NM 88201	LESSEE	4.68750000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	25.00000000

Mer Typ	Env	Sec	S Typ	Sub Division	District/Field Office	County	Home Agency
23	0100	0300E	031	ALG	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remar	Pending Office
07/01/1987	28	PAID ESTABLISHMENT	00000000	
04/22/1989	191	SALE REIT		
04/22/1989	267	BIG RECEIVED	247500.0000	
04/22/1989	192	MINES RECEIVED	347900.0000	
05/15/1989	27	LEASE ISSUE		
05/15/1989	172	AUT JUDICIAL RECORD VERIFY		567500
05/01/1989	175	FILE COPY	151148700	
05/01/1989	130	RENT RATE = 12 1/2%		
06/01/1989	166	EFFECTIVE DATE		
07/07/1989	60	RECORDS NOTED		
10/07/1989	131	AS-IM FILED	YATES ETAL/YATES ETAL	
02/10/1990	130	AS-IM APPROVED	EFF 11/01/1990	
02/03/1990	171	AUTOMATED RECORD VERIFY		850000
04/01/1990	162	CASE HIGH PRIORITY	UNCL 549,340	21
11/01/1990	111	RENTAL RECEIVED	140,000,21,15600	
02/01/1990	147	AS-IM FILED	MOCHILAM/1400 1990	
03/07/1990	130	AS-IM APPROVED	EFF 02/01/1990	
03/07/1990	172	AUT JUDICIAL RECORD VERIFY		800000
03/01/1990	111	RENTAL RECEIVED	160,000,21,15600	
03/01/1990	083	RENTAL RECEIVED BY OTHER	160,000,21,15600	
03/01/1990	130	LEASE COMPLETED TO OIA	RECEIVED OIA	
03/01/1990	607	ISSUE OF 1ST PACE-ALLAC	11/03/2009 11:00	
12/23/1990	151	HELD BY OIA - ALLOCATED	NOV2010 14:07	
08/24/1990	172	PRODUCTION DETERMINATION	11/08/2010 14:07	
05/12/2011	167	NAME CHANGE RECEIVED	YATES (S) PROPERTY Y-I	
11/24/2011	172	AUTOMATED RECORD VERIFY	ANY	

Line Nr	Remarks

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

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

RE: Surface lease (CA) commingle
Focus BDB Federal #1H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Lease (CA) commingle production for the Nucleus BGN Federal Com #1H and Focus BDB Federal #1H.

The commingle production will be measured and sold at the Nucleus BGN tank battery facilities located at SWNW, Sec. 31-T19S-R30E.

Federal Lease #NM-85909

<u>Well name</u>	<u>Pool #49622</u>	<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Focus BDB Federal #1H Sec. 31-T19S-R30E, NWNW API #30-015-39421 Eddy County, NM	Parkway; Bone S	*150	*42	*200	*1209

CA # unavailable at this time

Nucleus BGN Com Federal #1H Sec. 20-T19S-R25E, SWNW API # 30-015-39241 Eddy County, NM	Parkway; Bone S	*150	*42	*200	*1209
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*This is an estimated production.

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Nucleus BGN Fed #1H. 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. Any vapor recovery gas shall be included in for this application.

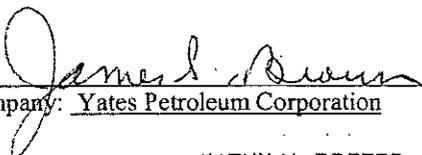
Gas Measurement

Each well will have its own sales meter and no commingle will take place.

The purpose of the Surface Lease Commingle of production is in the interest of conservation, 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

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

I hereby approve this application


Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
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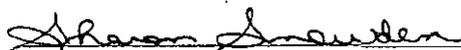
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If you have any questions, please call me at (575) 748-4200 (direct line)

I hereby approve this application


Company: Mvco Industries, Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
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S.P. YATES
1914-2008



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ARTESIA, NEW MEXICO 88210-2118

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EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface lease (CA) commingle
Focus BDB Federal #1H
Eddy County, New Mexico

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

I hereby approve this application

Company: Abo Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1988

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1936-1986

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ARTESIA, NEW MEXICO 88210-2118

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EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

July 15, 2014

RE: Surface lease (CA) commingle
Focus BDB Federal #1H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to Surface Lease (CA) commingle production for the Nucleus BGN Federal Com #1H and Focus BDB Federal #1H.

The commingle production will be measured and sold at the Nucleus BGN tank battery facilities located at SWNW, Sec. 31-T19S-R30E.

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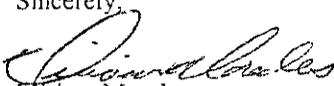
Each well will have its own sales meter and no commingling will take place.

The purpose of the Surface Lease Commingle of production is in the interest of conservation, 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

Any objections must be filed in writing with the OCD in Santa Fe within 20 days from the date the division received the application. Application will be sent in conjunction with notification to owners.

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

Sincerely,


Miriam Morales
Production Analyst

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

HUGH E & MICHAEL G HANAGAN CO-TRUSTEES OF BETTY L TRUST P O BOX 1737 ROSWELL, NM 88202	7014 0510 0001 0742 8398
EDSEL B NEFF, JR 403 TIERRA BERRENDA ROSWELL, NM 88201	7014 0510 0001 0742 8404
THOMAS R NICKOLOFF P O BOX 51807 MIDLAND, TX 79710-1807	7014 0510 0001 0742 8411
HANAGAN PETROLEUM CORP P O BOX 1737 ROSWELL, NM 88202	7014 0510 0001 0742 8428
JOSE R PEREZ P O BOX 3091 CORPUS CHRISTI, TX 78463	7014 0510 0001 0742 8435
NUEVO SEIS, LIMITED P O BOX 2588 ROSWELL, NM 88202-2588	7014 0510 0001 0742 8442
MORRIS E SCHERTZ P O BOX 2588 ROSWELL NM 88202-2588	7014 0510 0001 0742 8459
FIRST ROSWELL COMPANY P O BOX 1797 ROSWELL NM 88202-1797	7014 0510 0001 0742 8466
BRIAN T GROOMS 2906 DIAMOND A DR ROSWELL NM 88201	7014 0510 0001 0742 8473

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

MADISON M HINKLE 7014 0510 0001 0742 8480
P O BOX 2292
ROSWELL NM 88202-2292

ROLLA R HINKLE III 7014 0510 0001 0742 8497
P O BOX 2292
ROSWELL NM 88202-2292

NATALIE V HANAGAN 7014 0510 0001 0742 8503
1922 18TH AVE W
WILLISTON ND 58801-2553

OXY Y-1 COMPANY 7014 0510 0001 0742 8510
P O BOX 841803
DALLAS TX 75284-1803

DAVID PETROLEUM CORP 7014 0510 0001 0742 8527
116 W FIRST STREET
ROSWELL NM 88203

OIL CONSERVATION DIVISION 7014 0510 0001 0742 8534
1220 S ST. FRANCIS DRIVE
SANTA FE NM 87505

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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

Miriam Morales
 Signature

Production Analyst
 Title

7/15/14
 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
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

(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: Parkway; Bone Spring #49622
(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: 7/15/14
TYPE OR PRINT NAME Miriam Morales TELEPHONE NO.: (575) 748-1471
E-MAIL ADDRESS: mmorales@yatespetroleum.com

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

**Commingling and Off lease measurement of production
September 15, 2015**

**Conditions of Approval: Yates Petroleum Corp.
Focus BDB Federal #1H and Nucleus BGN Federal Com 1H
NM85909 & CA pending for Nucleus BGN Fed Com 1H presently under lease
#NM89049 / 3001539421, 3001539241**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
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 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.
5. Approval for combining production 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.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.