

UCCD ARTESIA

Form 3160-5
(June 1990)

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

5. Lease Designation and Serial No.

NM-81953

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Glow Worm ALX Federal #16H

9. API Well No.

30-015-36369

10. Field and Pool, or Exploratory Area

Salt Lake/ Delaware

11. County or Parish, State

Eddy Co., NM

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)

200' FNL & 900' FEL, Sec. 4-T23S-R31E (Unit A, NENE) SHL

330' FSL & 900' FEL, Sec. 4-T23S-R31E (Unit P, SESE) BHL

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 the addition of the Glow Worm ALX Federal #16H to prior approvals for off lease measurement.

The gas from the Glow Worm ALX Federal #11, Glow Worm ALX Federal #12, Glow Worm ALX Federal #13, Glow Worm ALX Federal #14, Glow Worm ALX Federal #15H, and the Glow Worm ALX Federal #16H will be measured on lease #81953.

The gas from the Glow Worm ALX Federal #11, Glow Worm ALX Federal #12, Glow Worm ALX Federal #13, Glow Worm ALX Federal #14, Glow Worm ALX Federal #15H, and the Glow Worm ALX Federal #16H BLM point of measurement will be off lease at Duke CDP meter #722154-00 located between Section 35-T22S-R31E, and Section 2-T23S-R31E. SEE COA

Yates is also requesting future wells to be drilled be included in this application: Glow Worm ALX Federal #4H sec3-23S-31E, Glow Worm ALX Federal #9H sec3-23S-31E, Glow Worm ALX Federal #10H sec3-23S-31E, and Glow Worm ALX Federal #19H sec3-23S-31E.

Same pools. Identical ownership.

The off lease measurement of production is in the interest of conservation, 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

Matthew Reps

Title Production Secretary

Date December 21, 2010

(This space for Federal or State office use)--

Approved by

/s/ JD Whitlock Jr

Title

DET

Date

1/5/11

Conditions of approval, if any:

*Submit a diagram which identifies all flow lines, sales points and give location of gas sales (transfer point) meter if it is not at this facility. Include gas sales meter station name and/or number and location of meter to include ¼ ¼, Section, Township and Range.

ingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements

*See Instruction on Reverse Side

← SUBMIT WITHIN 90 days
COA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave. Artesia, NM 88216
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 Commingling)

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 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)

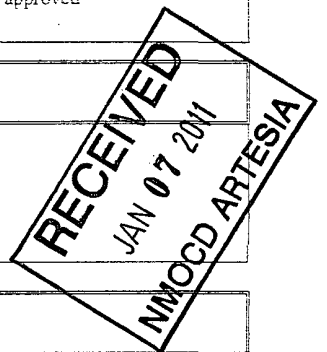
Please attach sheets with the following information

☒ 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: Matei Reyes

TITLE: Production Comm DATE: 12-21-10



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 & SLC
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.

MAYTE REYES
Print or Type Name

Mayte Reyes
Signature

PRODUCTION CLERK 12-21-10
Title Date

mayte.r@statepetroleum.com
e-mail Address

DISTRICT I
1620 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Bracoe Rd., 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-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

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

JUN 03 2008

OCD-ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 40297	Pool Name Los Medanos Delaware
Property Code 13749	Property Name GLOW WORM "ALX" FEDERAL	Well Number 16H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3397'

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	4	23 S	31 E		200	NORTH	900	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	23 S	31 E		330	SOUTH	900	EAST	EDDY

Dedicated Acres 160	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

<p>SURFACE LOCATION Lat - N32°20'24.76" Long - W103°46'37.82" SPC- N.: 487946.691 E.: 713102.054 (NAD-83)</p> <p>Penetration Point 543' FNL. & 990' FEL</p> <p>Project Area</p> <p>Producing Area</p> <p>RECEIVED JAN 07 2011 NMOC D ARTESIA</p> <p>BOTTOM HOLE LOCATION Lat - N32°19'37.82" Long - W103°46'37.75" SPC- N.: 483203.358 E.: 713133.348 (NAD-83)</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 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>5/29/08</p> <p>Signature _____ Date _____</p> <p>Cy Cowan</p> <p>Printed Name _____</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>MARCH 12 2008</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>W.O. [Signature]</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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105 South 4th Street * Artesia, NM 88210

(505)-748-1471

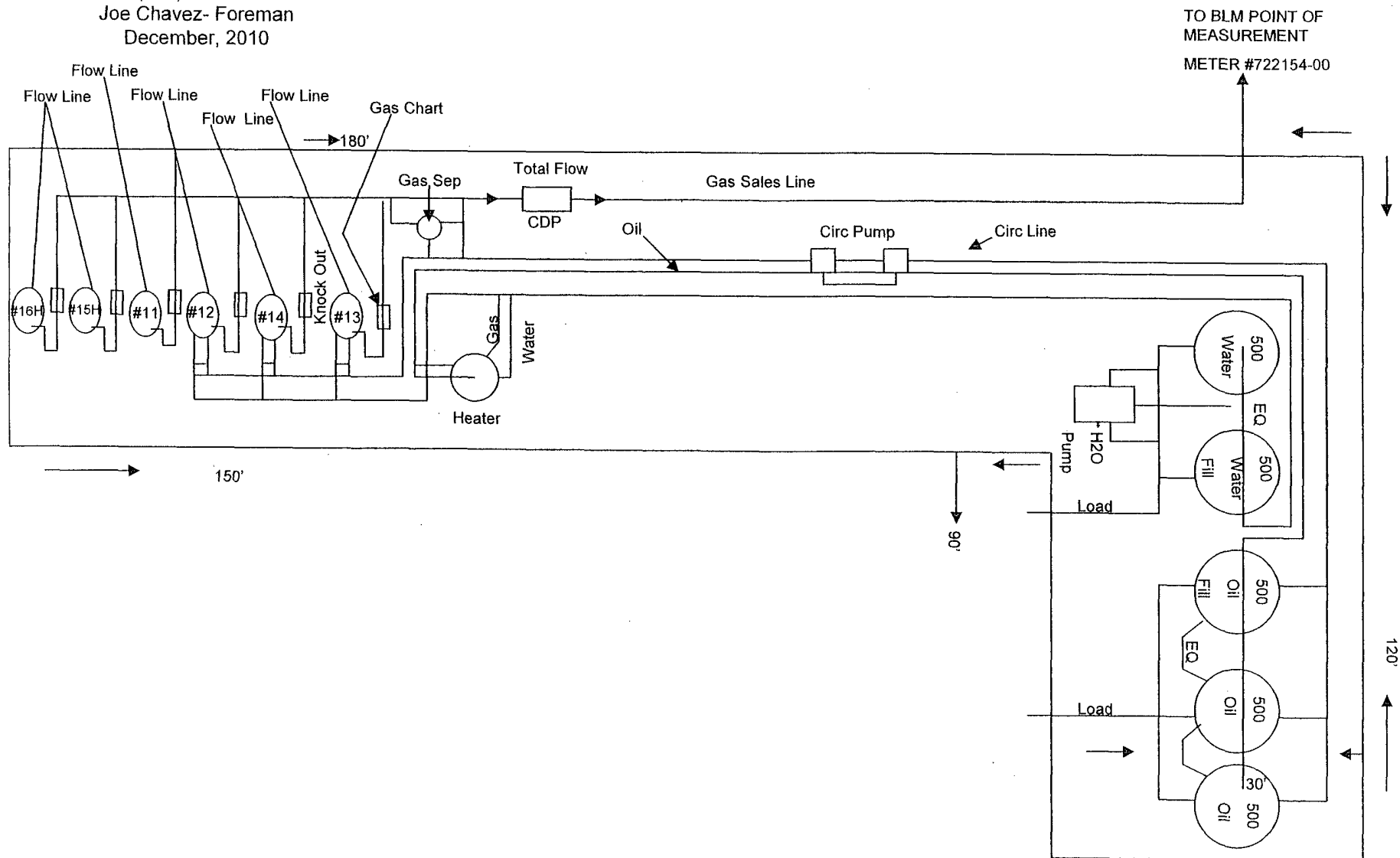
Joe Chavez- Foreman

December, 2010

GLOW WORM "ALX" BATTERY

Sec 4- T23S- R31E * Unit B

Eddy County, NM



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

33

34

35

MILLS RANCH RD.

FRESH
WATER
RESERVOIR GLOWWORM

GLOWWORM GLOWWORM

ALX BATT

GLOWWORM

#15H

#14

GLOWWORM

ALX #4H

GLOWWORM
#13GLOWWORM
#16HGLOWWORM
#12GLOWWORM
ALX #9H

BHL

GLOWWORM
ALX #10H

4

3

2

NM-81953

BHL

BHL

BHL

GLOWWORM
ALX #19H

BHL

MILLS

To whom it may concern:

The ownership of the following wells and associated pools are identical in working royalty and overriding royalty interest and percentages.

Well Name: Glow Worm ALX Federal #4H
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #9H
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #10H
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #11
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #12
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #13
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #14
Formation: Los Medanos/Delaware

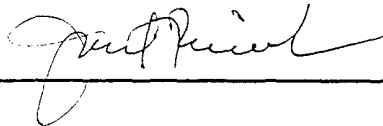
Well Name: Glow Worm ALX Federal #15H
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #16H
Formation: Los Medanos/Delaware

Well Name: Glow Worm ALX Federal #19H
Formation: Los Medanos/Delaware

I certified that this information is true to the best of my knowledge.

Signed



Landman

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

Off-Lease Measurement

Conditions of Approval

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. **Submit diagram which identifies all flow lines, sales points and give location of gas sales meter within 30 days of approval.**
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.