N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-5 (June 1990) DEPAR BUREAU	UNITED STATES RTMENT OF THE INT ARTIESIA, NM U OF LAND MANAGEMENT	88210 FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993		
SUNDRY NO	OTICES AND REPORTS ON WELLS	5. Lease Designation and Serial No. NM-101579		
Do not use this form for proposals to drill or	to deepen or reentry to a different reservoir. OR PERMIT" for such proposals	6. If Indian. Allottee or Tribe Name		
SUBMIT IN	TRIPLICATE	7. If Unit or CA. Agreement Designation		
i. Type of Well Oil Gas X Well Well Other		8. Well Name and No. Quarterback BQG Federal #1		
2. Name of Operator Yates Petroleum Corporation		9. API Well No. 30-005-34168 64138		
3. Address and Telephone No.		10. Field and Pool, or Exploratory Area		
105 South Fourth Street, Artesia, NM 8 4. Location of Well (Footage, Sec., T., R., M., or Survey		Wildcat/ Wolfcamp (oil) 11. County or Parish, State		
1980' FSL & 1980' FEL. Sec 6- T12S-R27E (uni				
CUTOV ADDODDIATE DO	DV() TO INDICATE MATURE OF MOTICE	Chavez County, NM		
TYPE OF SUBMISSION	OX(s) TO INDICATE NATURE OF NOTICE, TYPE OF ACTION	REPORT, OR OTHER DATA		
Notice of Intent	Abandonment	Change of Plans		
577	Recompletion	New Construction		
Subsequent Report	Plugging Back	- Non-Routine Fracturing-		
Final Abandonment Notice	Casing Repair	Water Shut-Off		
	Altering Casing Other Off Lease Measurement.	Conversion to Injection		
	Other Off Lease Weastrement	Dispose Water (Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)		
drilled, give subsurface locations and measured and true	state all pertinent details, and give pertinent dates, including evertical depths for all markers and zones pertinent to this work ly request approval for off lease measurement for			
Quarterback BQG Federal #1 Section 6-T12S-R27E Wildcat/Wolfcamp (oil) API #30-005-2-16-64138 Chavez County, NM Federal Lease # NM-101579				
The gas and oil from the Quarterback B T12S-R26E.	QG Federal #1BLM point of measurement	will be on the Football BCF Federal #2H Sec-1-		
Well will have its own tanks and meter an	d all equipment is located on Federal land." No	o surface commingle will take place.		
The off lease measurement of production will not result in reduced royalty or impro-		ibility, the reduction of environmental impact area, and		
	Accepted for record NMOCD	JAN 10 2011 NMOCD ARTESIA		
14. I hereby contify that the foregoing is true and correct	Title Production Secretary	Date November 29, 2010		
Signed COCOT WE	The Hodgenon Secretary	Date November 29, 2010		

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.

PETROLEUM ENGINEER





JAN 0 4 2011

<u>District I</u>
1625 N. French Drive. Hobbs. NM 88240
<u>District II</u>
1301 W. Grand Ave. Artesia, NM 88210
<u>District III</u>
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.

		COMMINGLING					
OPERATOR NAME: Y	ATES PET	NOLEUM CO	2PORATI	014			
OPERATOR ADDRESS: 105	SOUTH 4	n STREET.	ALTESIA	NM 832	10		
APPLICATION TYPE:	_	_					
☐ Pool Commingling ☐ Lease Commingli	- , ,		Storage and Measur	rement (Only if not Surfac	e Commingled)		
LEASE TYPE: Fee	State 🔀 Fede						
Is this an Amendment to existing Orde Have the Bureau of Land Management	r? Yes No If	"Yes", please include	the appropriate (Order No.	1 -11		
Have the Bureau of Land Management	(BLW) and State Land	i office (SLO) been no	uned in writing	or the proposed comm	ımgımg		
	` /	OL COMMINGLIN s with the following is					
(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 allowa							
(3) Has all interest owners been notified by (4) Measurement type: Metering [(5) Will commingling decrease the value of the commingling decrease the commin	Other (Specify)		Yes No.	ng should be approved			
	. ,	SE COMMINGLINgs with the following in			JAN I O 2011		
(1) Pool Name and Code.					Wi e A		
(2) Is all production from same source of(3) Has all interest owners been notified by			□Yes □Ne	. /(3 ~ 3		
(4) Measurement type: Metering		osou commigning.	L 100 L 111	<i>" U</i>	J & R		
			···	/00	· ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~		
					<u> </u>		
		LEASE COMMIN s with the following in			~ </td		
(1) Complete Sections A and E.	I icase attach sheet	s with the following in	normation				
<u></u>							
(E		ORAGE and MEAS ts with the following i					
(1) Is all production from same source of s	apply? Yes 🗆 No						
(2) Include proof of notice to all interest o	wners.						
(E) AD		RMATION (for all with the following in		pes)			
A schematic diagram of facility, includ		with are tonound in	ivi mativii				
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 l	est of my knowledge and	belief.				
SIGNATURE: No.	ء ، و الما			DATE: 11-	39-10		

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
7	HIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	[PC-Pc	s: Indard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] Inhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] Inhole Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] Infied Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF AI	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Check [B]	Cone Only for [B] or [C] 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]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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 o SEO 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]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION INDICATED ABOVE.
	val is accurate a	TION: I hereby certify that the information submitted with this application for administrative and complete to the best of my knowledge. I also understand that no action will be taken on this equired information and notifications are submitted to the Division.
	Note	: Statement must be completed by an individual with managerial and/or supervisory capacity.
Print	ITE KE or Type Name	Mes Mater Regs Production CLERK 11-29-10 Title Mayter Quates petroleum con e-mail Address
		mayter Qyates petroleum con

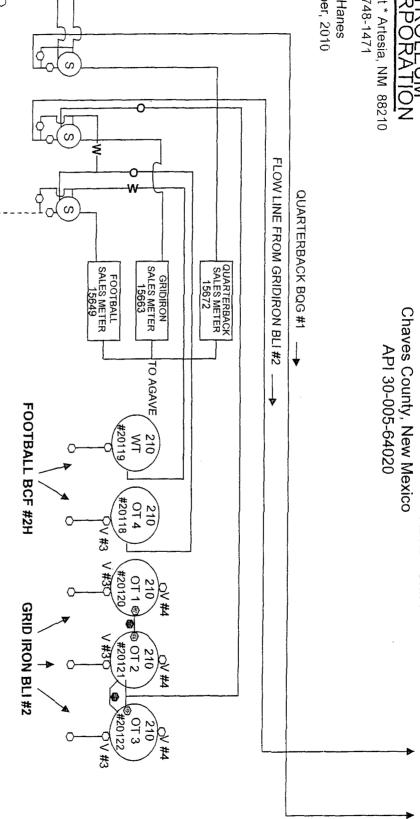


(575)-748-1471

November, 2010 -Paul Hanes

FOOTBALL BCF FEDERAL #2H

1929' FSL & 1959' FEL * Sec 01 - T12S - R26E * Unit I Chaves County, New Mexico



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

#6 210

OT,

√V #3

QUARTERBACK BQG #1

FOOTBALL BCF #2H

3 - Valve #3, #4 Sealed Closed

SALES PHASE OT #1, #3

Valve #1, #2, #3, #4 Sealed Closed

2 - Valve #2 Closed

1 - Valve #1 Open

PRODUCTION PHASE OT #1, #3

210

WT

210

WT

#5

210 OT

= Valve #2 S = Valve #1

OIL TANKS #5, #6 ~ QUARTERBACK BCG #1 OIL TANKS #1, #2, #3 - GRIDIRON BLI #2 OIL TANK #4 ~ FOOTBALL BCF #2H

2 - Valve #1 OT 2 Open

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 37410 DISTRICT IV 1220 S. St. Francis Dr., Sants Fe. NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102 Revised July 16, 2010

Submit one copy to appropriate District Office

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

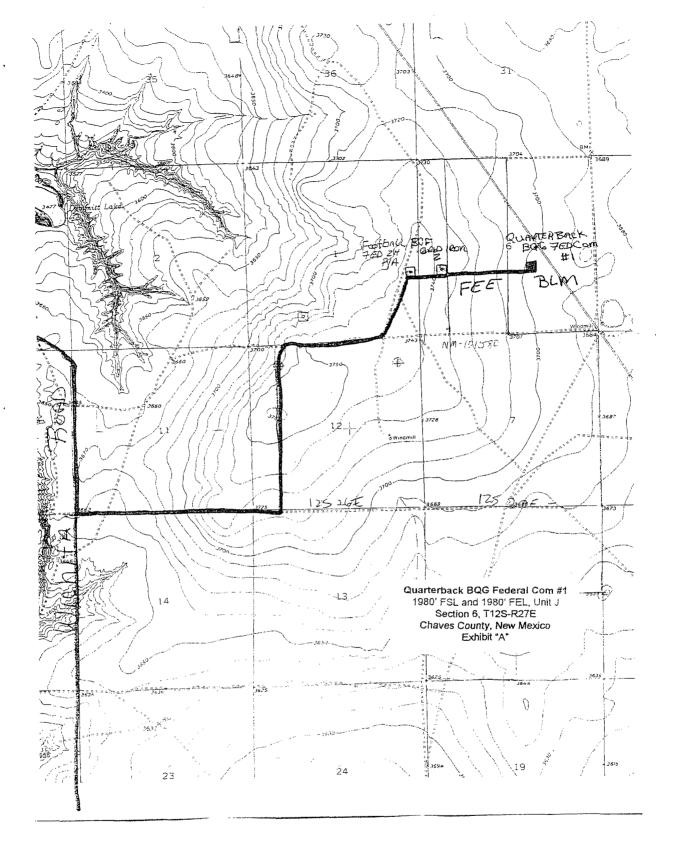
WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API	Number		Pool Code WC			Pool Name Wolfcamp				
Property	Code		Property Name							
			QL	JARTERB.	RTERBACK "BQG" FEDERAL COM 1					
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025575	· 	<u> </u>		YATES	S PETF	ROLEUI	M CORP.		3699'	
Surface Location										
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			Bottom	Hole Loc	ation l	f Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro	m the	North/South line	Feet from the	East/West line	County
	7	Latera I and	N 1 11-					L		
Dedicated Acre	s Joint o	r Infill Co	nsolidation	Code Ore	ler No.					
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NO ALLO	MARPE A						NTIL ALL INTER APPROVED BY T		EN CONSOLIDA	ATED
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	· +			} 		 -+-		I number of such a	suant to a contract mineral or working pooling agreement ng order heretofore	interest
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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.

SCOTT M. YATES

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA
CHIEF ADMINISTRATIVE OFFICER

November 29, 2010

Re: Off Lease Measurement Wildcat/ Wolfcamp (oil) Chavez County, New Mexico

Dear Interest Owner:

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

Quarterback BQG Federal #1 Section 6-T12S-R27E Wildcat/Wolfcamp (oil) API #30-005-34168 Chavez County, NM Federal Lease # NM-101579

The gas and oil from the Quarterback BQG Federal #1 BLM point of measurement will be on the Football BCF Federal #2H Sec-1-T12S-R26E.

Well will have its own tanks 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, economic feasibility, the reduction of environmental impact area, 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: ABO Petroleum Corporation.

MARTIN YATES, III

FRANK W. YATES 1936-1986

> 5.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.

SCOTT M. YATES VICE PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

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Company: Yates Petroleum Corporation.

MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

S.R. YATES 1914-2008



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

JOHN A. YATES JR.

JOHN A. YATES
CHAIRMAN OF THE BOARD

SCOTT M. YATES

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

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Sincerely,

I hereby approve this application

Mayte Reyes Production Clerk

Company: Sharbro Oil Ltd. Co.

MARTIN YATES, III 1912-1985 FRANK W. YATES 1936-1986

> S.R. 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.

SCOTT M. YATES

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JOHN D. PERINI CHIEF FINANCIAL OFFICER

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Sincerely,

I hereby approve this application

Mayte Reyes Production Clerk

Company: MYCO Industries Inc.

MARTIN YATES, III

FRANK W. YATES : 935-1956

5.P. YATES 1914-2005



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (\$75) 748-1471

JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR.

SCOTT M. YATES

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Production Clerk

DENNIS G. KINSEY