

DATE IN <u>4.27.12</u>	SUSPENSE	ENGINEER <u>TW</u>	LOGGED IN <u>4.27.12</u>	TYPE <u>PC</u>	APP NO. <u>121185 1354</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



1245
Yates 25575
 RECEIVED OGD
Culebra Bluff #1

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 _____

D&E 7-235-29E
Herrod Band, Delaware East
Culebra Bluff, BSSouth
15011

[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

4/25/12
 Date

mmorales@yatespetroleum.com
 e-mail Address

PC-1245

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-103879 NM-121951
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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)

1650' FNL & 330' FWL Sec. 7-T23S-R29E Unit E, SWNW Surface

1980' FNL & 2310' FWL Sec. 8-T23S-R29E Unit F, SENW Bottom

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

8. Well Name and No.

Culebra BLV Federal Com #2H

9. API Well No.

30-015-39422

10. Field and Pool or Exploratory Area

Culebra Bluff/Bone Spring, south

11. County or Parish, State

Eddy County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION



Notice of Intent



Subsequent Report



Final Abandonment Notice



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back



Production (Start/Resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

Pool/lease(CA)

Commingle

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 must 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 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 administrative approval to Pool/lease(CA) commingle on the following wells:

Culebra BLV Federal Com #1H ✓
Herradura Bend; Delaware, east
Sec. 7-T23S-R29E
Fed. Lease #NM-103879 & NM-121951, CA #124950
API #30-015-37615
Eddy County, NM

Culebra BLV Federal Com #2H(not yet drilled) ✓
Culebra Bluff; Bone Spring, south
Sec. 7-T23S-R29E
Fed. Lease #NM-103879 & NM-121951, CA #(unavailable)
API #30-015-39422
Eddy County, NM

Please see continuation attached

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

Name (Printed/Typed)

Miriam Morales

Title **Production Analyst**

Signature

Date

4/25/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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

Continuation on Pool/lease commingle for Culebra BLV Federal Com #2H

The battery is located at the Culebra #1H. Please see attached site security diagram.

Identical ownership, attached a letter signed by landman.

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 Culebra BLV Federal #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.

Estimated daily production for the Culebra #1H is 140 bbls and 230 mcfs, for the Culebra #2H is 200 bbls and 250 mcfs. The average estimated gravity is 40.9.

Gas Measurement

Each of the wells will be equipped with allocation meters for gas prior to commingling and the BLM point of measurement for this commingled production is at the DCP's CDP meter #718751-00 located at the Culebra BLV Federal Com #1H.

The purpose of the Pool/Lease Commingle 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. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for this well. This will greatly increase costs and shorten the economic life of the well.

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 and Natural Resources Department

Form C-102
Revised October 12, 2005

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

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

DEC 08 2010
HOBBSOCD

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37615	Pool Code 30670	Pool Name HERRADUNA BEND Wildcat; Delaware, EAST
Property Code 38043	Property Name Culebra BLV Federal	Well Number 1H
OGRD No. 025575	Operator Name Yates Petroleum Corporation	Elevation 2944' GR

Surface Location

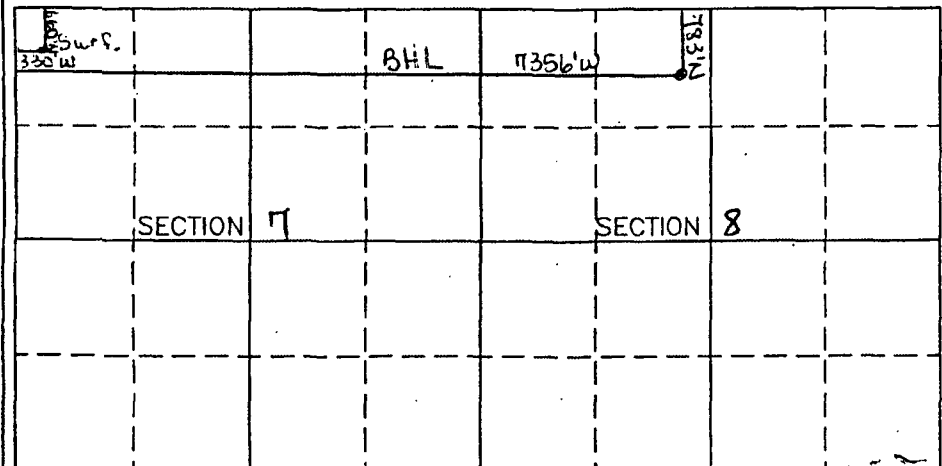
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	7	23S	29E		660	North	330	West	Eddy

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
2	8	23S	29E		783	North	7356	West	Eddy

Dedicated Acres 2.40 156.98	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

						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: Tina Huerta Date: 3-17-10 Printed Name: TINA HUERTA	
						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 Surveyed: Signature & Seal of Professional Surveyor: W.O. No.: Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

Scale: 1" = 2000'

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 and Natural Resources Department

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

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39422	Pool Code 15011	Pool Name Culebra Bluff, B.S. South Wildcat; Bone Spring
Property Code 38043	Property Name CULEBRA "BLV" FEDERAL COM	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3015'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	23 S	29 E	2	1650'	NORTH	330'	WEST	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
F	8	23 S	29 E		1980'	NORTH	2310'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240 237.13			

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

SURFACE LOCATION
Lot - N 32°19'22.56"
Long - W 104°01'51.41"
NMSPC - N 481346.673
E 634744.063
(NAD-83)

BOTTOM HOLE LOCATION
Lot - N 32°19'17.44"
Long - W 104°00'29.29"
NMSPC - N 480850.046
E 641791.316
(NAD-83)

Producing Zone

Penetration Point
1684' FNL & 806' FWL

Project Area

NM-103879

NM-121951

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 unEDD'ed 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: *Cy Cowan* Date: **4/15/11**

Printed Name: **Cy Cowan**

Email Address: **cy@yatespetroleum.com**

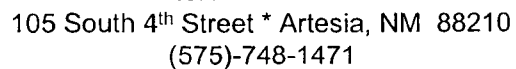
SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Signature & Seal of Professional Surveyor: *Gary L. Jones*

Certificate No. **Gary L. Jones 7977**

BASIN SURVEYS 24069

RECEIVED
SEP 20 2011
NMOCD ARTESIA



CULEBRA FEDERAL # 1H BATTERY

660' FNL & 330' FWL * Sec 7 – T 23S – R 29E * Unit D
Eddy County, NM
API - 3001537615



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.

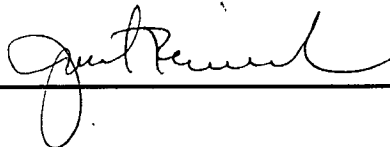
Well Name: Culebra BLV Federal Com #1H
Formation: Herradura Bend/Delaware, east

Well Name: Culebra BLV Federal Com #2H
Formation: Culebra Bluff/Bone Spring, south

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

Signed

Landman



A A 40	A A 40	A 36 40	L 4 36.61	A A 40	A A 40	A 31 40	A A 40	A 32 40	A A 40	A A 40	A A 40	A 33 40	A A 40	A A 40
L 3 L 3	L 2 39.79	L 1 39.93	L 4 36.45	L 3 40.24	L 2 40.4	L 1 40.56	L 4 40.6	L 3 40.52	L 2 40.44	L 1 40.36	L 4 40.31	L 3 40.29	L 2 40.27	L 1 L 1
A 40	A 40	A 40	L 5 36.52	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 6 36.67	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 7 36.82	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 1 36.98	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 2 37.13	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 3 37.28	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 4 37.44	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 1 37.61	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 2 37.79	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 3 37.97	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 4 38.15	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 1 38.28	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 2 38.37	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40
A 40	A 40	A 40	L 3 38.46	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40	A 40



NM-103879

Sec. 7-T23S-R29E

NE, E2NW;
1, 2 lots



NM-121951

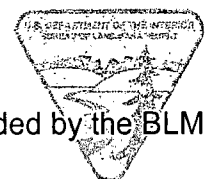
Sec. 4-T23S-R29E
8-T23S-R29E

N2SW;
NW;



4/20/2012

No warranty is made by the BLM for the use of the data for purposes not intended by the BLM.



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

7010 2780 0002 8287 9485

7010 2780 0002 8287 9485

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
CJLbra 3A PCL U 9/25/12	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To	
Street, Apt. No., or PO Box No.	
City, State, ZIP	
PS Form 3800, August 2006	
See Reverse for Instructions	

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

2. Article Number
(Transfer from s

7010 2780 0002 8287 9485

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
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes