

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



25575 Yates Petroleum Corp

30-015-40144
Tombsstone BMB State #2H

ULO 6 258 30E

RECEIVED OCD

2012 JUL 24 P 12:34

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 Signature Title Date 7/20/12

mmorales@yatespetroleum.com
 e-mail Address

PC-1248

Continuation of Surface Pool commingle for the Tombstone BMB State #2H

Tombstone BMB State #1
Sec. 12-T25S-R29E
Corral Canyon; Delaware, NW
API #30-015-36315
Lease #VA-2957
Eddy County, NM

Tombstone BMB State #2H (not yet drilled)
Sec. 12-T25S-R29E
Pierce Crossing; Bone Spring, east
API #30-015-40144
Lease #VA-2957
Eddy County, NM

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

APR - 1 2009

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-36315		² Pool Code 96464 ✓		³ Pool Name Corral Canyon; Delaware, Northwest ✓	
⁴ Property Code 37157		⁵ Property Name Tombstone BMB State			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3085'GR

¹⁰ 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	12	25S	29E		660	North	330	West	Eddy

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ 				¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature March 31, 2009 Date
				Tina Huerta Printed Name
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i>
				Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720

DISTRICT II
1301 W Grand Avenue, Artesia, NM 88210
Phone (575) 746-1283 Fax: (575) 746-9720

DISTRICT III
1000 Rio Brazos Rd., 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 and Natural Resources Department

Form C-102
Revised August 1, 2011

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 30-015-40144	Pool Code 96473	Pool Name Pierce Crossing; Wildcat Bone Spring, East
Property Code 37157	Property Name TOMBSTONE BMB STATE #2H	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3080'

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	12	25 S	29 E		330	NORTH	430	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
M	12	25 S	29 E		330	SOUTH	430	WEST	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

SURFACE LOCATION
Lat - N 32°09'03.75"
Long - W 103°56'42.79"
NMSPC- N 418900.821
E 661451.254
(NAD-83)

Penetration Point
805' FNL & 433' FWL

Producing Zone

Project Area

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°08'17.71"
Long - W 103°56'42.64"
NMSPC- N 414248.481
E 661480.197
(NAD-83)

VA-2957

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: Travis Hahn Date: _____

Printed Name: Travis Hahn

Email Address: rhahn@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.

Date Surveyed: March 2012

Signature: [Signature] Seal of Professional Surveyor 7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 26024

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. ✓

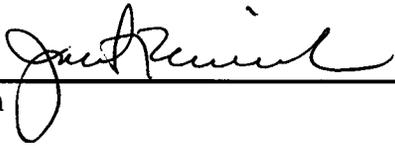
Well Name: Tombstone BMB State #1
Formation: Corral Canyon/Delaware, NW

Well Name: Tombstone BMB State #2H
Formation: Pierce Crossing/Bone Spring, East

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

Signed

Landman

A handwritten signature in cursive script, appearing to read "Jack Reimel", is written over a horizontal line. The signature is written in black ink and is positioned to the right of the printed word "Landman".

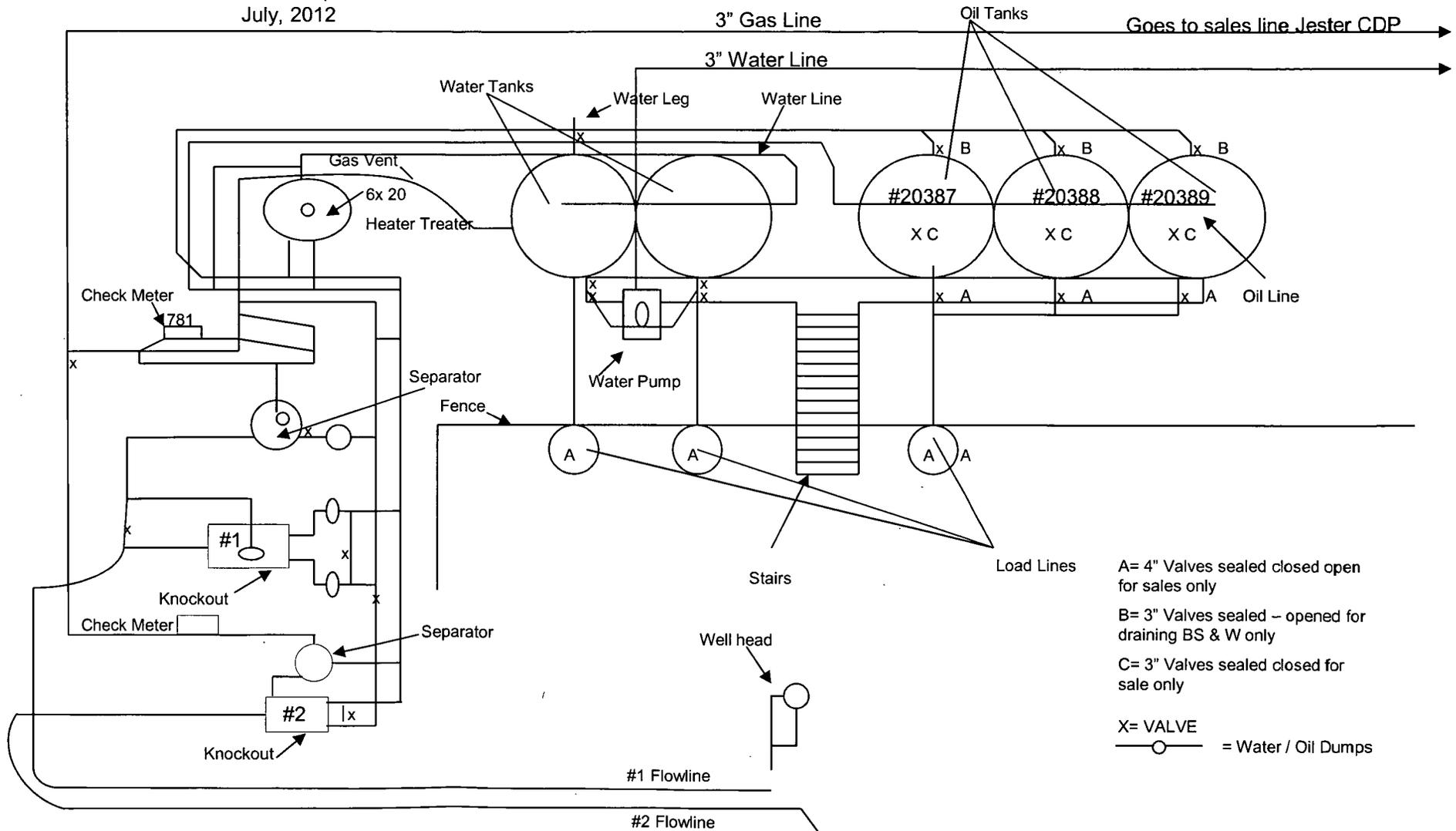


105 South 4th Street * Artesia, NM 88210
(575)-748-1471

-Junior Orquiz
July, 2012

TOMBSTONE BMB STATE #1

660' FNL & 330' FWL * Sec12-T25S-R29E * Unit D
EDDY County, NM
API # 3001536315



A= 4" Valves sealed closed open for sales only
 B= 3" Valves sealed – opened for draining BS & W only
 C= 3" Valves sealed closed for sale only
 X= VALVE
 ○ = Water / Oil Dumps

CERTIFIED MAIL



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7007 0710 0000 3415 9028
7007 0710 0000 3415 9028

Sent To
Street Apt. No.:
or PO Box No.:
City, State, Zip+4:
P.O. Box 1148
Santa Fe NM 87504-1148
ZIP Form 3800 August 2005 See Reverse for Instructions

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Postmark Here
L. Ramirez paid.

US Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Commissioner of Public Lands
Pete Martinez
Box #1148
Santa Fe, NM 87504-1148

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS; FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Commissioner of Public Lands Attn: Pete Martinez P.O. Box #1148 Santa Fe, NM 87504-1148</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from): 7007 0710 0000 3415 9028</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>