12-	17-12	1-6-13 WUS 12-20 TB POKB1235540649
	SUSPE.	NSE / ENGINEER LOGGED IN TYPE
Arrie	3	ABOVE THIS LINE FOR DIVISION USE ONLY 660 Jates Personal
1200		NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -
		1220 South St. Francis Drive, Santa Fe, NM 87505
		ADMINISTRATIVE APPLICATION CHECKLIST
́т	HIS CHECKLIST IS N	MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Appli	[DHC-Dow [PC-P	ns: andard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] vnhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] alified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] (
[1]	TYPE OF A [A]	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD BY SINTE PSPERTY
	Chec. [B]	k One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OFM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
	[D]	Other: Specify
[2]	NOTIFICAT [A]	TION 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 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]		COURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION INDICATED ABOVE.
[4]	CEDTIEICA	TION: I hereby certify that the information submitted with this application for administrative

CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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.

Production Analyst Title Signature

1.2/14/18 Date

Miriam Morales Print or Type Name

mmorales@yatespetroleum.com

e-mail Address

	<u>istrict I</u> 5 N. French Drive, Hobbs, NM 88240		e of New Mexico d Natural Resources Dep	artment		Form C-10 June 10, 2
	strict II 11 W. Grand Ave, Artesia, NM 88210	Energy, minerals an	a Matara Resources Dop			
	strict III 00 Rio Brazos Road, Aztec, NM 87410		RVATION DIVISI	ON		the original
<u>Dis</u>	strict IV		S. St Francis Drive New Mexico 87505		application to to office with one	
122 875	0 S. St Francis Dr, Santa Fe, NM 05	Sana i C,			appropriate Dis	
			COMMINGLING	(DIVERSE	OWNERSHIP)	
		etroleum Corporation uth Fourth St. Artesia,	(25575)		<u></u>	
	PLICATION TYPE:					
	Pool Commingling	ling Pool and Lease Co	mmingling DOff-Lease St	torage and Measur	ement (Only if not Surfac	e Commingle
		State Fed				
Ha	this an Amendment to existing Ord ve the Bureau of Land Managemer Yes □No	er? Yes XNO If at (BLM) and State Lan	d office (SLO) been notif	e appropriate O fied in writing c	of the proposed comm	ingling
			DL COMMINGLING ts with the following inf			
	Deal Newser and Calue	Gravities / BTU of	Calculated Gravities / BTU of Commingled		Calculated Value of	Malana
	Pool Names and Codes	Non-Commingled Production	Production		Commingled Production	Volumes
-						
(5)	Measurement type: Metering Will commingling decrease the valu	e of production? Yes			ng should be approved	
		(B) LEA	SE COMMINGLING			
		Please attach shee	is with the following fill			
1	Is all production from same source of	ne Spring 49622 f supply? ⊠Yes □N by certified mail of the pro	lo	⊠Yes □No	, D	
(2) (3)	Is all production from same source of Has all interest owners been notified l	ne Spring 49622 if supply? ⊠Yes □N by certified mail of the pro □ Other (Specify) (C) POOL and	lo posed commingling?	GLING	D	
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Submit 1 Copy To Appropriate District Office	State of New Me	exico	Form C-103
<u>District I</u> – (575) 393-6161	Energy, Minerals and Natu	ral Resources	Revised August 1, 2011
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.
$\frac{\text{District II}}{\text{S}} = (575) 748 - 1283$	OIL CONSERVATION	DIVISION	30-015-38576
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178	1220 South St. Fran		5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410			STATE FEE
<u>District IV</u> $-$ (505) 476-3460	Santa Fe, NM 87	/505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505			
	ES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSA			
DIFFERENT RESERVOIR. USE "APPLICA"	CION FOR PERMIT" (FORM C-101) FO	OR SUCH	Anthill AAK State Com
PROPOSALS.)	as Well 🗍 Other		8. Well Number 3H
1. Type of Well: Oil WellGate2. Name of Operator	as Well 📋 Other		0. 0CBID Number 025575
Yates Petroleum Corporation			9. OGRID Number 025575
3. Address of Operator			10. Pool name or Wildcat
105 S. Fourth Street Artesia, NM 882	10	,	Parkway; Bone Spring
		···-· · ····-	Tarkway, Done Spring
4. Well Location			
Unit Letter <u>P</u> : <u>56</u>	0_feet from the <u>S</u> line a	nd <u>330</u> fee	et from the <u>\underline{E}</u> line
Section 2	Township 20S Rang	e 29E	NMPM Eddy County
A CONTRACTOR OF	1. Elevation (Show whether DR,	, RKB, RT, GR, etc	c.)
	3297' GR		
12 Check An	propriate Box to Indicate N	ature of Notice	Report or Other Data
	stophice Box to maleate it		, report of other Data
NOTICE OF INT		SUE	BSEQUENT REPORT OF:
PERFORM REMEDIAL WORK 🗍 🛛 I	PLUG AND ABANDON	REMEDIAL WO	
	CHANGE PLANS	COMMENCE DF	
PULL OR ALTER CASING		CASING/CEMEN	
	_		—
OTHER: Surface/Lease Commingle		OTHER:	
13. Describe proposed or complete	ed operations. (Clearly state all j	pertinent details, a	nd give pertinent dates, including estimated date
		C. For Multiple Co	ompletions: Attach wellbore diagram of
proposed completion or recom	pletion.		,
Yates Petroleum respectfully requests ad	ministrative approval to Surface/Lease	e Commingle oil only	the following wells:
Anthill AAK State Com #2H	Anthill AAK State Com #3H		Anthill AAK State Com #4H
Parkway; Bone Spring	Parkway; Bone Spring		Parkway; Bone Spring
Sec. 2-T20S-R29E	Sec. 2-T20S-R29E		Sec. 2-T20S-R29E
St. Lease #LG-2041	St. Lease #LG-4525		St. Lease #LG-4525
API #30-015-38575	API #30-015-38576		API #30-015-40731
Eddy County, NM	Eddy County, NM		Eddy County, NM
The battery is located at the Anthill State Com	#2H. Please see attached plats and si	te security diagram.	
The ownership is diversified. All owner's not	fications and waivers are attached.		
Oil Measurement Each of the wells will be equipped with contin	mously metering senarators for oil pro-	duction prior to oil be	ing commingled for sales at the Anthill #2H. Total
			s. Metered volumes will be compared to total battery
volumes daily and monthly for accuracy. Any			
Estimated daily oil production for Anthill #2 i	s 300 bbls and for the Anthill #3H and	4H is 460 bbls. The g	gravity for all three wells is 42.0.
The purpose of the Surface Lease Commingle	is in the interest of conservation, econ	omic feasibility, the r	reduction of environmental impact area, and overall
			I for utilizing the same battery, it will become necessary
to build separate facilities for each well. This			
I hereby certify that the information above	s true and complete to the best of my	y knowledge and bel	lief.
ρ ρ	-		
SIGNATURE	IITLE_Production An	nalyst	DATE 12/14/12
Type or print name <u>Miriam Morales</u> For State Use Only	E-mail address: mmora	ues@yatespetroleum	n.com PHONE: <u>575-748-4200</u>
For State Use Ully			
APPROVED BY:	TITLE		DATE
Conditions of Annaval (if any):			

Conditions of Approval (if any):

• 1

Distinct.I 1625 N French Dr., F Phone (575) 393-616 Distinct.II 811 S First St., Artes Phone (575) 748-128 Distinct.III 1000 Rto Brazos Roa Phone (505) 334-617 Distinct.IV 1220 S St. Francis Dr Phone (505) 476-346	 Fax (575) 39 a, NM 88210 3 Fax (575) 741 4 Aztec, NM 87 8 Fax (505) 33 . Santa Fe, NM 	3-0720 3-9720 410 4-6170 87505 5-3462		OIL CO 12	ONSERVAT 20 South St. Santa Fe, N	al Resources ION DIVISIO Francis Dr M 87505	RECEIV Deplatement 2 MOCD AR	012 Su TESIA	mit one	Form C-102 sed August 1, 2011 copy to appropriate District Office IENDED REPORT
r	API Numbe		ELL LO	CATIO		REAGE DEDI	CATION PLA			
)-015-3857	-		49622			Parkway; Bo			
⁴ Property 38544					⁵ Property Anthill AAK	Tartena and the first and			Ê	Well Number
⁷ OGRID 02557				Y	Ates Petroleum					'Elevation 3303'GR
······					" Surface	Location			•	
UL or lot no. I	Section	Township	Range 29E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 330	East/W Ea		County Eddy
			" Bo	ttom Hol	le Location I	f Different Fro	om Surface			· · · · · · · · · · · · · · · · · · ·
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W		County
1 1	1 2	205	29E		1985	South	361	1 W	ect	i Eddy i

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.

¹⁵ Order No.

¹⁴ Cousolidation Code

16	······································	 		
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is the and complete to the best of my knowledge and belief, and that this organization either owns a working interest or wilcased mineral interest in the land including the proposed battom 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 compilisory pooling order heretofore genered by the lows on Time Huerta Printed Name timah@vistespetroleum.com E-mail Address
<u>361, M</u>		Surface	E	"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 of Survey
1985'S		Siospi		Signature and Seal of Professional Surveyor Certificate Number

ousIslizes

12 Dedicated Acres

160

¹³ Joint or Infill

Phona: (505) 748-1283 Fax: (505) 748-9720 <u>District III</u> 1600 Rio Brazos Rd., Aztec, NM 87410

Phone: (505) 334-5178 Fax: (505) 334-5170 <u>District IV</u> 1330 S. S. Fernels Dr. Sacra Fa, NB (5150

1220 S. St Francis Dr., Santa Fé, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT umber 2. Pool Code 3. Pool Name

1. API Number 30-015-38576	3. Pool Name PARKWAY;BONE SPRING
4. Property Code 38544	etty Name 6. Well No. K STATE COM 003H
7. OGRID No. 25575	 Nor Name 9. Elevation JM CORPORATION 3297

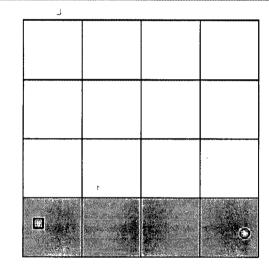
10. Surface Location

		1							I
UL - Lot	Section	Township	Range	Lot Ión	Feet From	N/S Line	Feet From	E/W Line	County
P	2	20S	29E		560	S	330	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	20S	29E	M	760	S	330	W	EDDY
	cated Acres 0.00	13. 1	oin: or Inäll	1.	. Consolidation	Code		15. Order No.	

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(s) 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.

E-Signed By: Monti Sanders

Title:

Date: 3/22/2011

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.

Surveyed By: Gary Jones Date of Survey: 1/24/2011

Certificate Number: 7977

DISTRICT I 1625 N. Prench Dr., Hobbs, NM 88240 Phone (678) 393-6161 Pas: (676) 393-0720 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210 Phone (578) 740-1283 Pas: (575) 748-9720

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DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410 Phons (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

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

Dedicated Area Joint or Infill Consolidation Code Order No. 160 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 Image: Consolidation Code Order No. Image: Code Code Code Code Code Code Code Code				WELL LO	CATION	AND ACREA	GE DEDICATI	ON PLAT		
Property Code ANTHILL Property Name Well Number 000RD No. 0025575 YATES PETROLEUM CORP. 3296 01 or lot No. Section YATES PETROLEUM CORP. 3296 01 or lot No. Section Township Range Lot Man P 2 20 S 29 E Lot Man Feet from the Feet from the Dottom Hole Location If Different From Surface It at Man Feet from the Ran/West line County M 2 20 S 29 E It Man Feet from the North/South line Feet from the Ran/West line County M 2 20 S 29 E Order No. North/South line Feet from the Ran/West line County M 2 20 S 29 E Order No. North/South line Feet from the Ran/West line County 160 No ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTI HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION Product Lon Zone Image Image Image Image Product Lon Zone Image Image Image Image Image Image Image Image Image Image Image Product Lon Zone<	1				Pool Code		Parkway			
ANTHILL "AKT STATE COM 4H 002BD Ma. 022575 OCERD Name Derestin Start Bereatin 025575 YATES PEROLEUM CORP. 3296 Sturface Location But on No. Section Township Range Let Ma Feet from the Noth/South line Feet from the Cash/Feet line County P 2 20 S 29 E 435 SOUTH 330 East/Feet line County W or lot No. Section Township Range Lot Ma Peet from the North/South line Peet from the South line East/Feet line County M 2 20 S 29 E 435 SOUTH 330 WEST EDDY Dedicated arre Joint or Intill County A330 WEST EDDY Dedicated arre Joint or Intill County Mass SOUTH 330 WEST EDDY Dedicated arre Joint or Intill County Mass No Starter County Mass East/Feet line County Dedicated arre Joint or Intill County Mass SOUTH 330 Deficit down No South Interestry Mass East/Feet line County Dedicated arre Production Zone Produ			<u>731</u>	4	19622			d Bone Spri		
ORDER No. Operator Name Blevation 025575 YATES PETROLEUM CORP. 3296 Surface Location UL or lot No. Section Township Range Lot Ma Peet from the 435 North/South line Peet from the SOUTH East/West line County EAST EDDY Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Ma Peet from the Yest from the 2 O S 29 E Lot Ma Peet from the Yest from the 2 O S 29 E Lot Ma Peet from the Yest from the 2 O S 29 E Lot Ma Peet from the Yest from the from the Yest from the Yest from the from the from the from the Yest from the from the from the from the Yest from the from the from the from the from the Yest from the from the from the from the from the Yest from the from the from the from the from the from Yest from the from the from the from the from the from the Yest from the from the from the from the from the from the Yest from the f	Property (Code			·					
025575 YATES PETROLEUM CORP. 3296 Surface Location Ul or lot No. Section Tormahip Range Lot Ma Peet from the North/South line Pert from the EAST County P 2 20 S 29 E 435 SOUTH 330 EAST County WL or lot No. Section Tormahip Range Lot Ma Peet from the North/South line Peet from the EAST County M 2 20 S 29 E 435 SOUTH 330 WEST EDDY Bedicated Area foremakip Range Lot Ma Peet from the North/South line Peet from the County East/Test line County Bedicated Area foremakip Range Lot Ma South area County East/Test line County NO <allowable<will all="" assigned="" be="" been="" completion="" consolidated<="" have="" interests="" td="" this="" to="" until=""> OPERATOR CERTIFICATION Interface memory long memory of action of the interface memory long memory of act</allowable<will>					ANTH					
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MARTIN YATES, III 1912-1985

FRANK W. YATES

5.P YATES



JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR. PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA CHIEF ADMINISTRATIVE OFFICER

105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

December 14, 2012

RE: Surface Lease Commingle oil only Anthill AAK State Com #2H, 3H, & 4H Eddy County, New Mexico

Dear interest owner,

Yates Petroleum is notifying you of an application to Surface Lease Commingle the following wells:

Anthill AAK State Com #2H Parkway; Bone Spring Sec. 2-T20S-R29E St. Lease #LG-2041 API #30-015-38575 Eddy County, NM Anthill AAK State Com #3H Parkway; Bone Spring Sec. 2-T20S-R29E St..Lease #LG-4525 API #30-015-38576 Eddy County, NM

The battery is located at the Anthill State Com #2H. The ownership is diversified.

Oil Measurement

Each of the wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Anthill #2H. 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.

Estimated daily oil production for Anthill #2 is 300 bbls and for the Anthill #3H and 4H is 460 bbls. The gravity for all three wells is 42.0.

The purpose of the Surface Lease Commingle is in the interest of conservation, economic feasibility, 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 the same battery, it will become necessary to build separate facilities for each well. This will greatly increase and shorten the economic life of all the wells.

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

Sincerely,

Miriam Morales Production Analyst

I hereby approve this application

Company: Deceased

KATHY H. PORTER SECRETARY

Anthill AAK State Com #4H

Parkway; Bone Spring

Sec. 2-T20S-R29E

St. Lease #LG-4525

API #30-015-40731

Eddy County, NM

Tuesday, January 29, 2013

Well Selection Criteria Quick Print

Page 1

opno = 25575 and WH_SEC = 2 and WH_TWPN = 20 and WH_TWPD Like 'S' and WH_RNGN = 29 and WH_RNGD Like 'E'

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API Well #	Well Name and No.		Operator Name	Тур	Stat	County	Surf	UL	Sec	Тwp	Rng	Ft N/S	Ft E/W UICPrr	nt Lst Insp Dt
30-015-38575-00-00	ANTHILL AAK STATE COM	002H	YATES PETROLEUM CORPORAT	0	А	Eddy	S	ł	2	20 S	29 E	1980 S	330 E	12/27/2012
30-015-24964-00-00	ANTHILL AAK STATE	001	YATES PETROLEUM CURPORAL	G	_ <u>A</u> _	Eddy		-0-	-2-	-20 S -	- 20-E	- 668-5-	2150 E	3/22/2012
30-015-40731-00-00	ANTHILL AAK STATE COM	004H	YATES PETROLEUM CORPORAT	0	N	Eddy	S	Ρ	2	20 S	29 E	435 S	330 E	
30-015-38576-00-00	ANTHILL AAK STATE COM	003H	YATES PETROLEUM CORPORAT	0	Ν	Eddy	s	Р	2	20 S	29 E	560 S	330 E	

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ARKWAY;BONE SPRING	*****	18082	25463	14390		8/1/2012	
ARKWAY;BONE SPRING		13800	27433	14058		9/1/2012	
ARKWAY;BONE SPRING		11792	27725	12312		10/1/2012	
ARKWAY;BONE SPRING		8734	23203	10634	30	11/1/2012	
ARKWAY;BONE SPRING ARKWAY;BONE SPRING ARKWAY;BONE SPRING Dtal Volumes for Above Filt		0	0	0 30 0 31 0 30	9/1/2012 10/1/2012 11/1/2012		
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Water≀Inj Total: 0	CO2 Inj Total:		Inj Total:	ne oper working with 1944	her Inj Total:	0	
(Double-Click on 5 Ye	ar Data' Label Above to Auto						
	Double-Click on (16 Month						
그러졌더라는 가장 방법을 만들었다. 방법을 가지 않는다. 그는 것은 것							

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

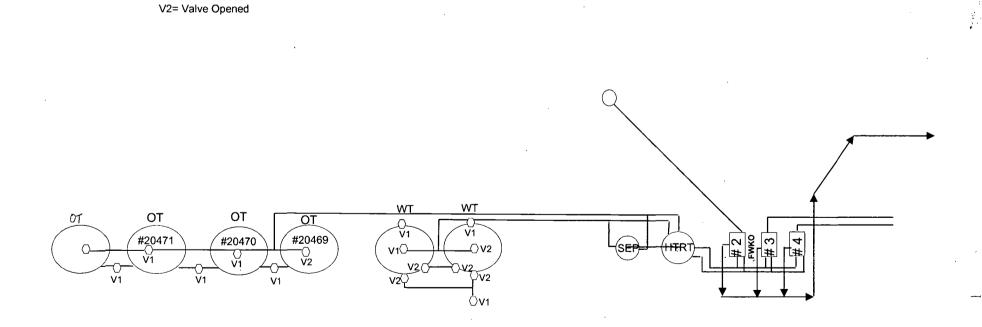
> -Keith Hutchens July,2012

> > V1= Valve Closed

N ←



1980' FSL & 330' FEL * Sec 2 – T20S R29E * Unit L Eddy County, NM API -3001538575



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

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. PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA CHIEF ADMINISTRATIVE OFFICER

December 14, 2012

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The battery is located at the Anthill State Com #2H. The ownership is diversified.

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Sincerely

Miriam Morales Production Analyst

I hereby approve this application

tes Petroleum Co Company: fnd

KATHY H. PORTER SECRETARY

Anthill AAK State Com #4H

Parkway; Bone Spring

Sec. 2-T20S-R29E

St. Lease #LG-4525

API#30-015-40731

Eddy County, NM

MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

5.P YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

December 14, 2012

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Sincerely.

Miriam Morales Production Analyst

I hereby approve this application

Company John

KATHY H. PORTER SECRETARY JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR.

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA CHIEF ADMINISTRATIVE OFFICER

Anthill AAK State Com #4H

Parkway; Bone Spring

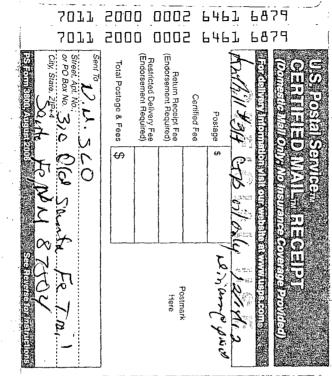
Sec. 2-T20S-R29E

St. Lease #LG-4525

API #30-015-40731

Eddy County, NM

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



New Mexico State Land Office

Commissioner of Public Lands 310 Old Santa Fe Trail P.O. Box 1148 Santa Fe, New Mexico 87504-1148

MARTIN YATES, III 1912-1985

FRANK W. YATES

5.P YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES CHAIRMAN OF THE BOARD

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JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA CHIEF ADMINISTRATIVE OFFICER

December 14, 2012

RE: Surface Lease Commingle oil only Anthill AAK State Com #2H, 3H, & 4H Eddy County, New Mexico

Dear interest owner,

Yates Petroleum is requesting approval from the Oil Conservation Division and State Land Office to Surface Lease Commingle the following wells:

Anthill AAK State Com #2H Parkway; Bone Spring Sec. 2-T20S-R29E St. Lease #LG-2041 API #30-015-38575 Eddy County, NM

Anthill AAK State Com #3H Parkway; Bone Spring Sec. 2-T20S-R29E St. Lease #LG-4525 API #30-015-38576 Eddy County, NM Anthill AAK State Com #4H Parkway; Bone Spring Sec. 2-T20S-R29E St. Lease #LG-4525 API #30-015-40731 Eddy County, NM

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Any objections must be filed in writing with the Oil Conservation Division in Santa Fe within 20 days from the date the division receives the application. Application will be sent in conjunction with this letter.

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

Sincerely,

Olalis

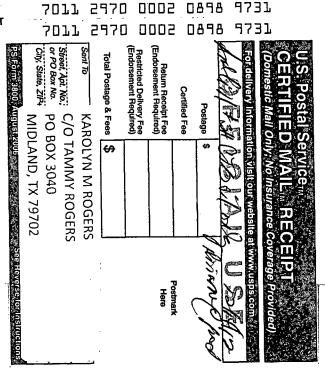
Miriam Morales Production Analyst

GERTIFIEDMAIL



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



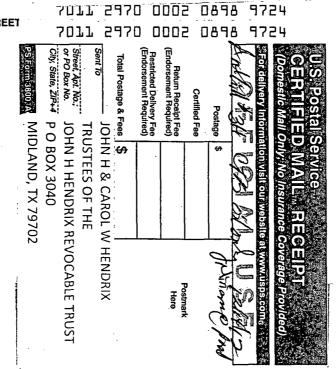
KAROLYN M ROGERS C/O TAMMY ROGERS PO BOX 3040 MIDLAND, TX 79702

 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature
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.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1?
KAROLYN M ROGERS	
C/O TAMMY ROGERS PO BOX 3040	3. Service Type
MIDLAND, TX 79702	Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee)



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



JOHN H & CAROL W HEND TRUSTEES OF THE JOHN H HENDRIX REVOCA P O BOX 3040 MIDLAND, TX 79702

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature X □ Agent Addrc 3: ve
 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. 	B. Received by (<i>Printed Name</i>) C. Date of Delivery
1. Article Addressed to: JOHN H & CAROL W HENDRIX	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
TRUSTEES OF THE JOHN H HENDRIX REVOCABLE TRUST	
P O BOX 3040 MIDLAND, TX 79702	3. Service Type K Certified Mail Express Mail Registered Return Receipt for Merchandise
	□ Insured Mail □ C.O.D.
2. Article Number (Transfer from s 7011 2970 0002	Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes





YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED

2011 2920 0002 0898 9712 7011 2970 0002 0898 9717 Street, Apt. No.; or PO Box No. City, State, ZIP+-Sent To Restricted Delivery Fee (Endorsement Required) Return Receipt Fee (Endorsement Required) **Total Postage & Fees** Certified Fee Postage CHALLENGER CRUDE LTD 3300 N "A" STREET 8-110 MIDLAND, TX 79705 \$ \$ 3110 8 Postma Here

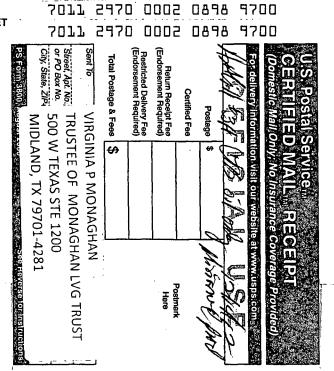
CHALLENGER CRUDE LTD 3300 N "A" STREET 8-110 MIDLAND, TX 79705

 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 	COMPLETETHIS SECTION ON DE A. Signature	UV∃;Y □ Agent □ Addresse
 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. 	B. Received by (Printed Name)	C. Date of Deliver
1. Article Addressed to:	D. Is delivery address different from ite If YES, enter delivery address belo	· · · · ·
CHALLENGER CRUDE LTD 3300 N "A" STREET 8-110		,
MIDLAND, TX 79705	3. Service Type X Certified Mail □ Express M □ Registered □ Return Re □ Insured Mail □ C.O.D.	ail celpt for Merchandis
	4. Restricted Delivery? (Extra Fee)	C Yes
2. Article Number (Transfer from s 7011 2970 0002	0898 9717	



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



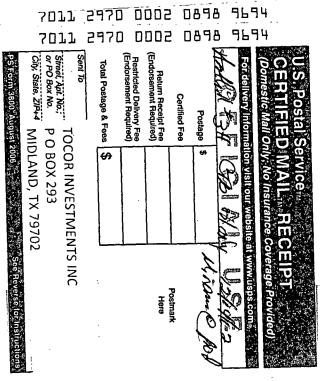
VIRGINIA P MONAGHAN TRUSTEE OF MONAGHAN L 500 W TEXAS STE 1200 MIDLAND, TX 79701-4281

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELI	VERY
 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. 	 A. Signature X B. Received by (<i>Printed Name</i>) 	C. Date of Delivery
1, Article Addressed to:	D. Is delivery address different from iten If YES, enter delivery address below	i and a second sec
VIRGINIA P MONAGHAN TRUSTEE OF MONAGHAN LVG TRUST 500 W TEXAS STE 1200 MIDLAND, TX 79701-4281	3. Service Type Certified Mali Express Mali Registered Return Rece Insured Mali C.O.D. 4. Restricted Delivery? (Extra Fee)	I lipt for Merchandis
2. Article Number (Transfer from st 7011 2970 0002		



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



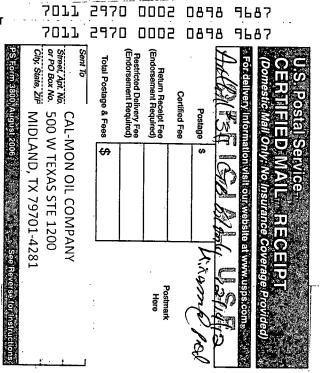
TOCOR INVESTMENTS INC P O BOX 293 MIDLAND, TX 79702

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON I	DELIVERY
 Complete items 1, 2, and 3. Also complet item 4 if Restricted Delivery is desired. Print your name and address on the rever 		🗖 Agen
 so that we can return the card to you. Attach this card to the back of the mailple or on the front if space permits. 	B. Received by (Printed Name)	C. Date of De
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address b	
TOCOR INVESTMENTS INC P O BOX 293		, `
MIDLAND, TX 79702	3. Service Type Si Certified Mail Express Registered Return I Insured Mail C.O.D.	Mail Recelpt for Mercha
	4. Restricted Delivery? (Extra Fee)	🛛 Yes



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



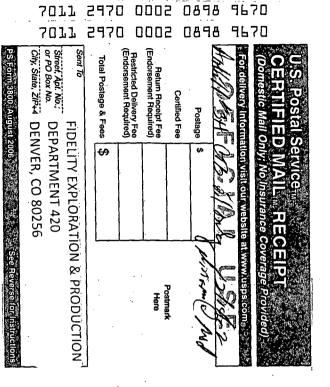
CAL-MON OIL COMPANY 500 W TEXAS STE 1200 MIDLAND, TX 79701-4281

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIV A. Signature	ERY
Item 4 if Restricted Delivery is desired. Print your name and address on the reverse	X	Agent Addressee
 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. 	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from Item If YES, enter delivery address below:	—
CAL-MON OIL COMPANY		· · ·
500 W TEXAS STE 1200		
MIDLAND, TX 79701-4281	3. Service Type	
· · · · · · · · · · · · · · · · · · ·	Certified Mail DExpress Mail	pt for Merchandise
	4. Restricted Delivery? (Extra Fee)	Yes
2. Article Number (Transfer from se 7011 2970 0002	0898 9687	
PS Form 3811, February 2004 Domestic Re	turn Receipt	102595-02-M-1540



ATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

DDRESS SERVICE REQUESTED



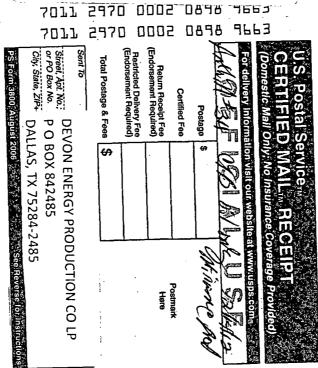
FIDELITY EXPLORATION & PF DEPARTMENT 420 DENVER, CO 80256

 SENDER COMPLETENTIS 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. 	11 X .	Agent Addresse
 Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: 	D. Is delivery address different from item 1?	
FIDELITY EXPLORATION & PRODUCTION DEPARTMENT 420		
DENVER, CO 80256	3. Service Type Certified Mail Express Mail Registered Return Receipt for Me	erchandise
	4. Restricted Delivery? (Extra Fee)	Yes
2. Article Number	an de la companya de	~~~~~



TES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

DRESS SERVICE REQUESTED



DEVON ENERGY PRODUCTIOI P O BOX 842485 DALLAS, TX 75284-2485

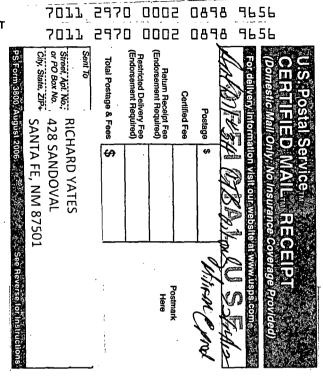
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature
 so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	B. Received by (<i>Printed Name</i>) C. Date of Deliver
1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below: No
DEVON ENERGY PRODUCTION CO LP	
P O BOX 842485	
DALLAS, TX 75284-2485	3. Service Type D Certified Mail D Express Mail Registered D Return Receipt for Merchandise Insured Mail D C.O.D.
	4. Restricted Delivery? (Extra Fee)

CERTIFIED MAIL....



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



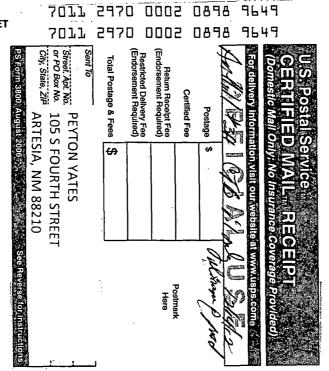
RICHARD YATES 428 SANDOVAL SANTA FE, NM 87501

 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. 	COMPLETE THIS SECTION ON DELIVE A. Signature X B. Received by (<i>Printed Name</i>) C.	Agent Addressee
 Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	D. Is delivery address different from item 1 If YES, enter delivery address below:	? 🗋 Yes 🗇 No
RICHARD YATES 428 SANDOVAL SANTA FE, NM 87501	3. Service Type DC Certified Mail Express Mail Registered Return Receipt Insured Mail C.O.D.	t for Merchandise
2. Article Number (Transfer from st. 7011 2970 0002	4. Restricted Delivery? (Extra Fee)	C Yes
PS Form 3811, February 2004 Domestic Ret	um Receipt	102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



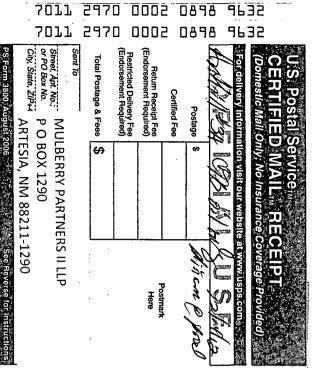
PEYTON YATES 105 S FOURTH STREET ARTESIA, NM 88210

КОГО АТ ООТТЕР LINE WYELOPE TO AT OOTTEP LINE	PLACE STICKER AT TOP OF EI	
 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 	COMPLETE THIS SECTION ON DELIVERY A. Signature X	
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.	B. Received by (<i>Printed Name</i>) C. Date of Delivery	,
1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below: No	· · · ·
PEYTON YATES 105 S FOURTH STREET		· .
ARTESIA, NM 88210	3. Service Type 2. Certified Mail 2. Express Mail 2. Registered 2. Return Receipt for Merchandise 2. Insured Mail 2. C.O.D.	
<u> </u>	4. Restricted Delivery? (Extra Fee)	
2. Article Number (Transfer from se 7011 2970 0002	0898 9649	
PS Form 3811, February 2004 Domestic Ret	turn Receipt 102595-02-M-1540	<u>. </u>



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



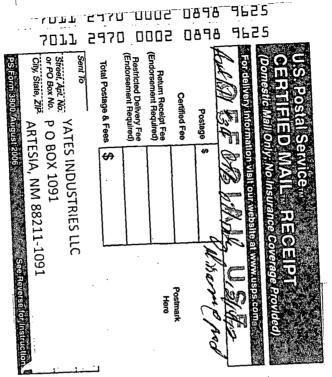
MULBERRY PARTNERS II LL P O BOX 1290 ARTESIA, NM 88211-1290

ENDER: COMPLETESTHISSECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse	COMPLETE THIS SECTION ON DELI A. Signature	VERY
 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. 	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: MULBERRY PARTNERS II LLP	D. Is delivery address different from iten If YES, enter delivery address below	
P O BOX 1290 ARTESIA, NM 88211-1290	3. Service Type Certified Mall Express Mai Registered Return Rece Insured Mall C.O.D.	l lipt for Merchandise
·····	4. Restricted Delivery? (Extra Fee)	C Yes
2. Article Number (Transfer from se 7011 2970 0002	0898 9632	
PS Form 3811, February 2004 Domestic Ret	um Doopint	102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



YATES INDUSTRIES LLC P O BOX 1091 ARTESIA, NM 88211-1091

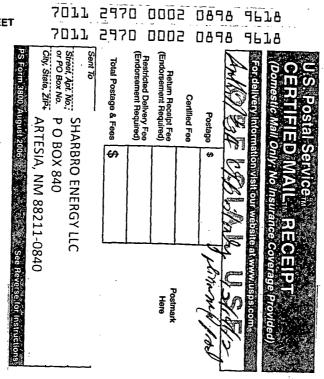
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE (OF THE RETURN ADDRESS, FOLD AT DOTTED LINE (

 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 	COMPLETE THIS SECTION ON DELIVERY. A. Signature X D Addressee
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.	B. Received by (<i>Printed Name</i>) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
YATES INDUSTRIES LLC P O BOX 1091	
ARTESIA, NM 88211-1091	3. Service Type
	Registered Return Receipt for Merchandise Insured Mail C.O.D.
- <u> </u>	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from s 7011 2970 0002	0898 9625
PS Form 3811, February 2004 Domestic Re	tum Receipt 102595-02-M-1540



ATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

DDRESS SERVICE REQUESTED



SHARBRO ENERGY LLC P O BOX 840 ARTESIA, NM 88211-0840

	LETE THIS SECTION	COMPLETE THIS SECTION ON DE	LIVERY
item 4 if Restric Print your name	1, 2, and 3. Also complete ted Delivery is desired. and address on the reverse	A. Signature	Agent Addressee
	return the card to you. to the back of the mailpiece, f space permits	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed		D. Is delivery address different from its If YES, enter delivery address below	—
SHARBRO EN	ERGY LLC		
P O BOX 840 ARTESIA, NM	88211-0840	3. Şervice Type	
•		Certified Mail Corress M Registered Return Re Insured Mail C.O.D.	lall ceipt for Merchandise
		4. Restricted Delivery? (Extra Fee)	□ Yes

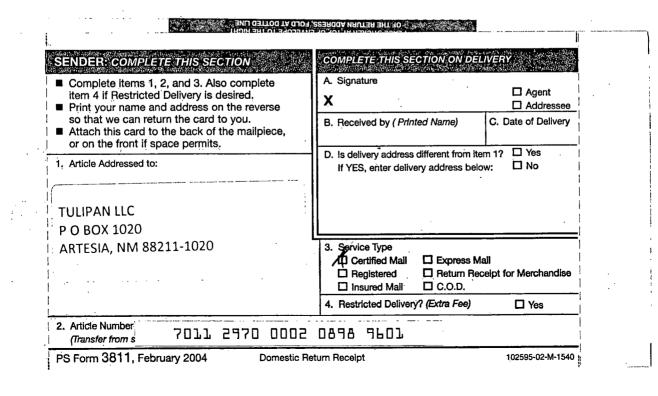


YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED

1017 5440 2000 0245 1702 2011 5920 0005 0898 9601 Street, Apt. No., or PO Box No. City, State, ZIP-Sent To fotal Postage & Fees cted De Sentified Fee Nivery Fee Required) eceipt Fee Required) Postage ARTESIA, σ TULIPAN O BOX 1020 \$ NM 88211-1020 Postma

TULIPAN LLC P O BOX 1020 ARTESIA, NM 88211-1020

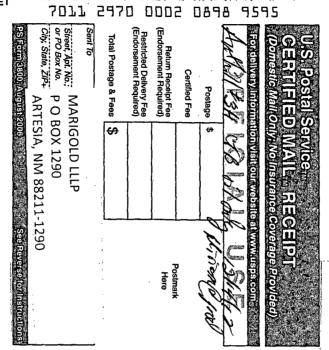


7011 2970 0002 0098 7575



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



MARIGOLD LLLP P O BOX 1290 ARTESIA, NM 88211-1290

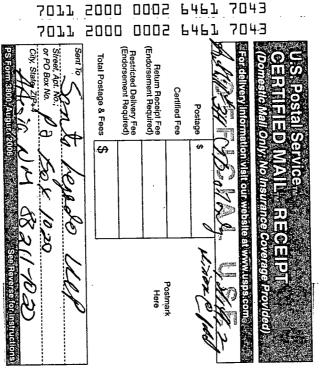
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. 	A. Signature
Attach this card to the back of the mailpiece, or on the front if space permits.	D is delivery address different from item 12 Yes
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
MARIGOLD LLLP	
P O BOX 1290	
ARTESIA, NM 88211-1290	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number 7011 2970 0002	0898 9595



ATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

DDRESS SERVICE REQUESTED

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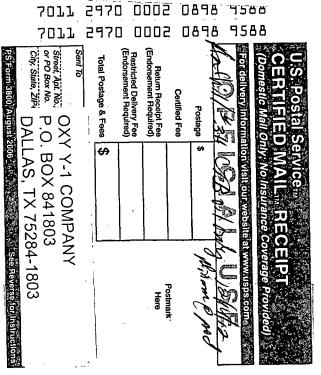
SANTO LEGADO LLLP P O BOX 1020 ARTESIA, NM 88211-1020

SENDER: COMPLETE THIS SECTION. Complete items 1, 2, and 3. Also complete items 1, 2, and 3. Also c		ON DELIVERY
 item 4 if Restricted Delivery is desired. Print your name and address on the restricted Delivery is desired. 		Agent
 Finit your name and address of the result address of the result address of the result of the source of the source of the mail or on the front if space permits. 	B. Beceived by (Printed Nam	e) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different If YES, enter delivery addre	<u> </u>
SANTO LEGADO LLLP P O BOX 1020		
ARTESIA, NM 88211-1020		press Mail urn Receipt for Merchandise).D.
· · · · · · · · · · · · · · · · · · ·	4. Restricted Delivery? (Extra	Fee) 🗆 Yes
2. Article Number (Transfer from se 70112	0002 6461 7043	
PS Form 3811, February 2004	Domestic Return Receipt	102595-02-M-1540

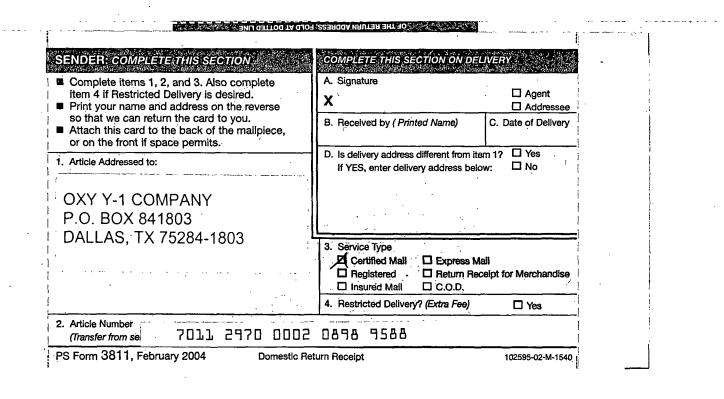


YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



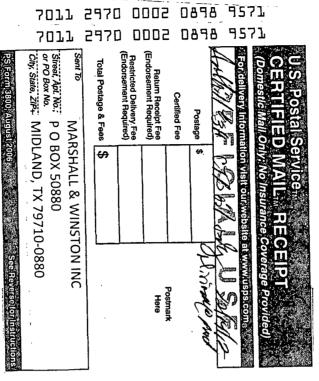
OXY Y-1 COMPANY P.O. BOX 841803 DALLAS, TX 75284-1803





TES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

DRESS SERVICE REQUESTED



MARSHALL & WINSTON IŇC P O BOX 50880 MIDLAND, TX 79710-0880

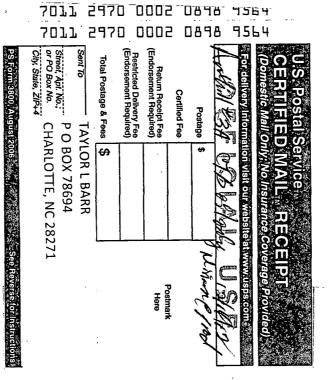
AFTUR ADDRESS, FOLD AT DOTED LINE

 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature	Agent Addressee
 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. 	B. Received by (Printed Name) C	. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item If YES, enter delivery address below:	I? □ Yes □ No
MARSHALL & WINSTON INC P O BOX 50880 MIDLAND, TX 79710-0880		
n an	3. Service Type Certified Mail Express Mail Registered Return Receip Insured Mail C.O.D.	t for Merchandise
	4. Restricted Delivery? (Extra Fee)	Yes
2. Article Number (Transfer from s 7011 2970 01	002 0898 9571	



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



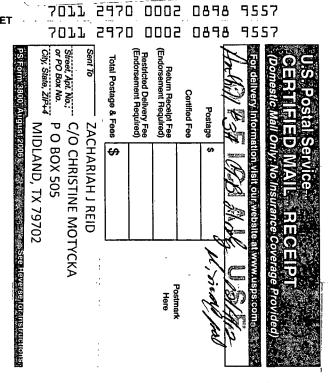
TAYLOR L BARR P O BOX 78694 CHARLOTTE, NC 28271

S' FOLD AT DOTTED LIVE	OF THE RETURN ADDRES
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature X Agent Addressee
 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. 	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
TAYLOR L BARR P O BOX 78694	
CHARLOTTE, NC 28271	3. Service Type Ø Ocertified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from s 7011 2970 0002	0898 9564
PS Form 3811, February 2004 Domestic Re	turn Receipt 102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



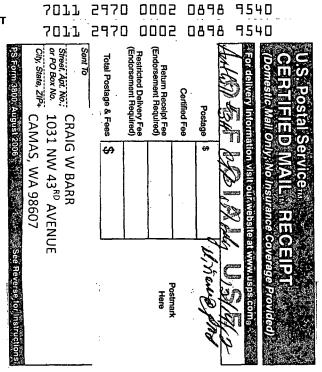
ZACHARIAH J REID C/O CHRISTINE MOTYCKA P O BOX 505 MIDLAND, TX 79702

 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, the fact is provide a provide the fact. 	A. Signature X Agent B. Received by (<i>Printed Name</i>) C. Date of Delivery
or on the front if space permits. 1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
ZACHARIAH J REID C/O CHRISTINE MOTYCKA	
P O BOX 505 MIDLAND, TX 79702	3. Service Type Z Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
· ·	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from se 7011 2970 0002	NA9A 9557



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



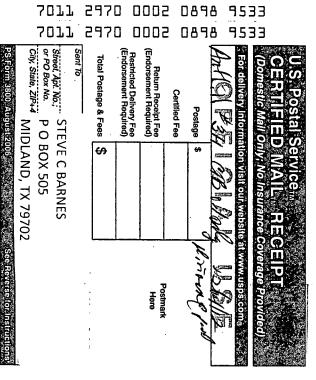
CRAIG W BARR 1031 NW 43RD AVENUE CAMAS, WA 98607

	 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. 	COMPLETE THIS SECT A. Signature X B. Received by (Printed		C. Date of Deliver
ł	 Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: 	D. Is delivery address diffu If YES, enter delivery		in a contraction of the second s
	CRAIG W BARR 1031 NW 43 RD AVENUE		; : 	
	CAMAS, WA 98607	CI Registered	Express Mai Return Rece C.O.D.	l lipt for Merchandis
		4. Restricted Delivery? (I	Extra Fee)	T Yes



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



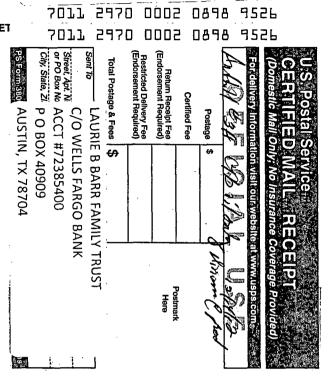
STEVE C BARNES P O BOX 505 MIDLAND, TX 79702

	PLACE STICKER AT TOP OF
 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. 	COMPLETE THIS SECTION ON DELIVERY. A. Signature X Agent B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to: STEVE C BARNES P O BOX 505	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
MIDLAND, TX 79702	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from s 7011 2970 0002	0898 9533
PS Form 3811, February 2004 Domestic Ret	turn Receipt 102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



LAURIE B BARR FAMILY TRU C/O WELLS FARGO BANK ACCT #72385400 P O BOX 40909 AUSTIN, TX 78704

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature X □ Agent □ Addressee	
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.	B. Received by (Printed Name) C. Date of Delivery	
1. Article Addressed to:	D. Is delivery address different from item 1? Ves If YES, enter delivery address below: No	7.1
C/O WELLS FARGO BANK ACCT #72385400		د میں میں اور
P O BOX 40909	3. Service Type	
AUSTIN, TX 78704	Registered Return Receipt for Merchandise Insured Mail C.O.D.	
	4. Restricted Delivery? (Extra Fee)	
2. Article Number (Transfer from se 7011 2970 0002	0898 9526	
PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540 :	



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED

PLEP 8P80 5000 07P5 LL07 7011 2970 0002 0898 9519 Street Apt No.: CHRISTINE MOTYCKA or PO Box No. P O BOX 505 Sent To 050 Restricted Delivery Fee Endorsement Required) Return Receipt Fee (Endorsement Required) Total Postage & Fees Ð Centified Fee Postage MIDLAND, TX 79702 gust 2006 See į \$ 69 ite at Postmark Here

CHRISTINE MOTYCKA P O BOX 505 MIDLAND, TX 79702

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT

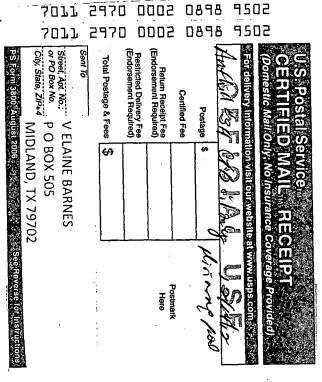
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature
 so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	B. Received by (<i>Printed Name</i>) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
CHRISTINE MOTYCKA P O BOX 505	
MIDLAND, TX 79702	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise
	Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from s 7011 2970 0002	0898 9519
PS Form 3811, February 2004 Domestic Re	eturn Receipt 102595-02-M-1540

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YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



V ELAINE BARNES P O BOX 505 MIDLAND, TX 79702

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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 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. 	B. Received by (<i>Printed Name</i>) C. Date of Deliver
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
V ELAINE BARNES	
P O BOX 505	
MIDLAND, TX 79702	3. Service Type
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	4. Restricted Delivery? (Extra Fee)
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YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED

7011 2970 0002 0898 9496 7011 2970 0002 0898 9496 Street Apt No.: P O BOX 505 or PO Box No. P O BOX 505 City State, ZIP- MIDLAND, TX 79702 Sent To Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) For delivery S Form 3800; A Total Postage & Fees 9 Certified Fee Postage Information visit THE BARNES FAMILY PARTNERSHIP 6 æ S. at Postmark Here

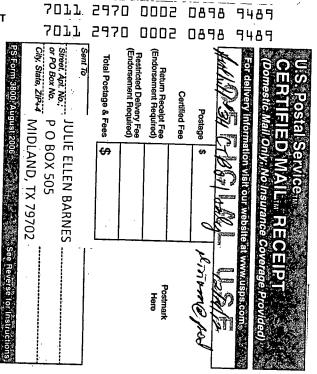
THE BARNES FAMILY PARTNE P O BOX 505 MIDLAND, TX 79702

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature
so that we can return the card to you. Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delive
or on the front if space permits.	
1. Article Addressed to:	D. Is delivery address different from item 1?
THE BARNES FAMILY PARTNERSHIP P O BOX 505	
MIDLAND, TX 79702	3. Service Type
MIDLAND, IX 75762	Certified Mail Express Mail Registered Receipt for Merchandis
	4. Restricted Delivery? (Extra Fee)
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YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



JULIE ELLEN BARNES P O BOX 505 MIDLAND, TX 79702

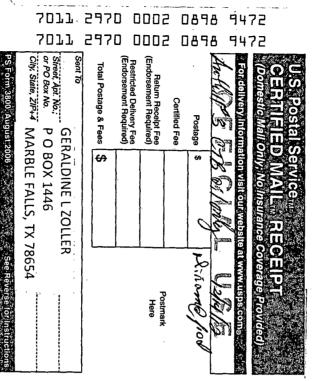
2

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature ☐ Agent ☐ Addressee
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.	B. Received by (<i>Printed Name</i>) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
JULIE ELLEN BARNES P O BOX 505	
MIDLAND, TX 79702	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise
	Insured Mail C.O.D. A. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from s 7011 2970 0002	0898 9489
PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

ADDRESS SERVICE REQUESTED



GERALDINE L ZOLLER P O BOX 1446 MARBLE FALLS, TX 78654

 PLACE STICKER ATTOR OF ENVELOPE TO THE HIGHT				
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY			
 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. 	A. Signature Agent X Addressee B. Received by (<i>Printed Name</i>) C. Date of Delivery			
1. Article Addressed to: GERALDINE L ZOLLER P O BOX 1446	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No			
MARBLE FALLS, TX 78654	3. Service Type A Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4: Restricted Delivery? (Extra Fee) Yes			
	0898 9472			
PS Form 3811, February 2004 Domestic Re	turn Receipt 102595-02-M-1540			

Jones, William V., EMNRD

From:	Hanson Yates <hyates@santopetroleum.com></hyates@santopetroleum.com>
Sent:	Monday, January 28, 2013 4:01 PM
То:	Jones, William V., EMNRD
Cc:	Mike Hill (mikeh@yatespetroleum.com); Tobin Rhodes; Peyton Yates; Karen Leishman;
Subject:	Mark Ashley RE: Protest of Application for Surface Lease Commingling of Oil Production
542,000	Re. Protest of Application for Sandee Lease commissing of on Production

Dear Mr. Jones,

Santo Legado LLLP hereby withdraws its protest of application for surface lease commingling of oil production as set forth below. We have met with Yates Petroleum and are comfortable with their plans to meter and allocate production. They have also granted us the right to witness the production metering going forward.

Thank you.

Best regards,

Hanson Yates

Vice President, Land & Business Development Santo Petroleum LLC Two Allen Center 1200 Smith Street, Suite 690 Houston, TX 77002

Main: 713-600-7500 Direct: 713-652-0088 Mobile: 713-412-2097

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, January 04, 2013 5:25 PM
To: Hanson Yates
Subject: RE: Protest of Application for Surface Lease Commingling of Oil Production

Got it....

From: Hanson Yates [mailto:hyates@santopetroleum.com]
Sent: Friday, January 04, 2013 3:31 PM
To: Jones, William V., EMNRD
Cc: Tobin Rhodes; Karen Leishman; Mark Ashley
Subject: Protest of Application for Surface Lease Commingling of Oil Production

Re: Yates Petroleum Corporation's application for Surface Lease Commingling of oil production from

Anthill AAK State Com #2H	Anthill AAK State Com #3H	Anthill AAK State Com #4H
Parkway; Bone Spring	Parkway; Bone Spring	Parkway; Bone Spring
Sec. 2-T20S-R29E	Sec. 2-T2OS-R29E	Sec. 2-T20S-R29E
St. Lease #LG-2041	St. Lease #LG-4525	St. Lease #LG-4525
API #30-015-38575	API #30-015-38576	API #30-015-40731

Dear Mr. Jones,

Thank you for returning my voicemail yesterday. Per your suggestion, I am sending this email to notify the NM OCD that Santo Legado LLLP protests the application by Yates Petroleum Corporation ("YPC") for surface lease commingling of production from the above captioned wells, which are all operated by YPC.

Since there is non-uniform ownership in the three wells, Santo Legado is concerned the risks and costs of potential errors in allocation of production among the three wells outweigh the benefits of surface commingling production as planned. With the oil production volumes YPC has suggested, a small error could result in significant harm to any under allocated party.

We have notified YPC of our protest and will work with them to resolve this matter quickly. We will notify you as soon as we reached any conclusions with YPC.

Have a nice weekend.

Best regards,

Hanson Yates

Vice President, Land & Business Development Santo Petroleum LLC Two Allen Center 1200 Smith Street, Suite 690 Houston, TX 77002

Main: 713-600-7500 Direct: 713-652-0088 Mobile: 713-412-2097

Jones, William V., EMNRD

From:	Jones, William V., EMNRD
Sent:	Monday, January 07, 2013 11:54 AM
То:	'Mike Hill'
Subject:	RE: Anthill AAK State Com # 3, Surface comingle application.

Mike

I have seen no other protests as of this moment.

Will

From: Mike Hill [mailto:MikeH@yatespetroleum.com]
Sent: Monday, January 07, 2013 11:34 AM
To: Jones, William V., EMNRD
Subject: Anthill AAK State Com # 3, Surface comingle application.

William Jones Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Will,

I was wondering if you could tell me if anyone has protested this application for surface comingling on the Anthill AAK St Com # 3.

Santo Petroleum another Yates company has told me that they are going to send a letter of protest; I have scheduled a meeting

with them to see if we can resolve our differences, but I was wondering if anyone else had protested?

Thank You,

Mike Hill Yates Petroleum Corp Office: 575-748-4219 Cell : 575-365-8706

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Jones, William V., EMNRD

From:	Hanson Yates <hyates@santopetroleum.com></hyates@santopetroleum.com>
Sent:	Friday, January 04, 2013 3:31 PM
То:	Jones, William V., EMNRD
Cc:	Tobin Rhodes; Karen Leishman; Mark Ashley
Subject:	Protest of Application for Surface Lease Commingling of Oil Production

Re: Yates Petroleum Corporation's application for Surface Lease Commingling of oil production from

Anthill AAK State Com #2H	Anthill AAK State Com #3H	Anthill AAK State Com #4H
Parkway; Bone Spring	Parkway; Bone Spring	Parkway; Bone Spring
Sec. 2-T20S-R29E	Sec. 2-T20S-R29E	Sec. 2-T20S-R29E
St. Lease #LG-2041	St. Lease #LG-4525	St. Lease #LG-4525
API #30-015-38575	API #30-015-38576	API #30-015-40731
Eddy County, NM	Eddy County, NM	Eddy County, NM

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We have notified YPC of our protest and will work with them to resolve this matter quickly. We will notify you as soon as we reached any conclusions with YPC.

Have a nice weekend.

Best regards,

Hanson Yates

Vice President, Land & Business Development Santo Petroleum LLC Two Allen Center 1200 Smith Street, Suite 690 Houston, TX 77002

Main: 713-600-7500 Direct: 713-652-0088 Mobile: 713-412-2097