TYPE CTB

mmorales@yatespetroleum.com

e-mail Address

PRG 1307329528

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505 30-015-28542 Amole AMM State

Yotas Petroleum

| .013-11 | | ADMINISTRATIV | E APPLICAT | ION CHECKLIS | T |
|---------|--------------------------|---|--|---|--------------------|
| Т | THIS CHECKLIST IS M | MANDATORY FOR ALL ADMINISTRA | ATIVE APPLICATIONS FOR | | A. A |
| Appli | PC-Po | ns: Indard Location] [NSP-Non Inhole Commingling] [CT | -Standard Proratior B-Lease Commingli Off-Lease Storage] on] [PMX-Pressur oosal] [IPI-Injectio | Unit] [SD-Simultaneous ng] [PLC-Pool/Lease Co [OLM-Off-Lease Measu e Maintenance Expansion n Pressure Increase] | rement] State \$12 |
| [1] | TYPE OF AI [A] | PPLICATION - Check The Location - Spacing Unit - | * * * | | (672) |
| | Check [B] | k One Only for [B] or [C] Commingling - Storage - DHC CTB | Measurement PLC PC | OLS OLM | |
| | [C] | Injection - Disposal - Pres WFX PMX | ssure Increase - Enha | | |
| | [D] | Other: Specify | | · · | |
| [2] | NOTIFICAT [A] | TION REQUIRED TO: - C Working, Royalty or | | | ly . |
| | [B] | Offset Operators, Le | aseholders or Surfac | e Owner | |
| | [C] | Application is One V | Which Requires Publ | ished Legal Notice | |
| | [D] | Notification and/or O | Concurrent Approval ent - Commissioner of Public La | by BLM or SLO | |
| | [E] | For all of the above, | Proof of Notification | or Publication is Attache | d, and/or, |
| | [F] | Waivers are Attache | d , | | |
| [3] | | CCURATE AND COMPLE ATION INDICATED ABO | | ON REQUIRED TO PRO | OCESS THE TYPE |
| | val iș accurate a | TION: I hereby certify that and complete to the best of required information and noti | ny knowledge. I als | understand that no action | |
| | Note | e: Statement must be completed | by an individual with ma | nagerial and/or supervisory ca | pacity. |
| | Morales or Type Name | <u> </u> | foules | Production Analyst Title | 3/11/13 Date |

District I 1625 N. French Drive, Hobbs, NM 88240

District III
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410

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

E-MAIL ADDRESS: <u>mmorales@yatespetrolem.com</u>

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Form C-107-B Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

| RECEIVED ACD | FOR SURFACE | COMMINGLING | DIVERSE. | OWNERSHIP) | |
|--|---|--|-----------------------|---|---------------|
| | troleum Corporation | COMMITTELLING | (DIVERSE | O WITE ROTTE | |
| | h Fourth St. Artesia, N | NM 88210 | | | |
| APPLICATION TYPE: | | | | | |
| ☐ Pool Commingling ☐ Lease Commingli | ng Pool and Lease Co | mmingling Off-Lease | Storage and Measur | ement (Only if not Surface | e Commingled) |
| LEASE TYPE: | State | ral | | | 1-29 |
| Is this an Amendment to existing Orde Have the Bureau of Land Management ☐ Yes ☐ No | | | | | ingling |
| | • / | OL COMMINGLIN s with the following in | | | · |
| (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 | | | | · · · · · · · · · · · · · · · · · · · | |
| (2) Is all production from same source of(3) Has all interest owners been notified by | (B) LEA: Please attach sheet vers; Glorieta-Yeso 97 supply? ⊠Yes □N | SE COMMINGLINGS with the following in th | G | | |
| | | LEASE COMMIN s with the following in | | | |
| (1) Complete Sections A and E. | | | | | |
| . (1 | D) OFF-LEASE ST | ORAGE and MEA | | | |
| (1) Is all production from same source of (2) Include proof of notice to all interest of | supply? Yes N | | vi mativii | | |
| (E) A | DDITIONAL INFO | RMATION (for all s with the following in | | /pes) | |
| (1) A schematic diagram of facility, inclu | ding legal location. | | | | |
| (2) A plat with lease boundaries showing(3) Lease Names, Lease and Well Number | | ions. Include lease number | ers if Federal or Sta | ate lands are involved. | |
| I hereby certify that the information above i | s true and complete to the | best of my knowledge an | d belief. | <u> </u> | |
| SIGNATURE: Lector M | // 1 | TLE: <u>Production Analys</u> | | DATE:_ 3// | 1//3 |
| TYPE OR PRINT NAME Miriam Morale | <u>es</u> | | · TEL | EPHONE NO.: <u>(575)</u> 74 | 48-1471 |

Submit 1 Copy To Appropriate District State of New Mexico Form C-103 Energy, Minerals and Natural Resources Revised August 1, 2011 District I - (575) 393-6161 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 OIL CONSERVATION DIVISION 30-015-28738 District II - (575) 748-1283 5. Indicate Type of Lease 811 S. First St., Artesia, NM 88210 1220 South St. Francis Dr. STATE 🛛 FEE \square District III - (505) 334-6178 Santa Fe, NM 87505 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. District IV - (505) 476-3460 E-10167 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Boyd X State 1. Type of Well: Oil Well Gas Well Other 8. Well Number 12 2. Name of Operator 9. OGRID Number 025575 Yates Petroleum Corporation 3. Address of Operator 10. Pool name or Wildcat 105 S. Fourth Street Artesia, NM 88210 N. Seven Rivers; Glorietta-Yeso 4. Well Location feet from the North feet from the East Unit Letter 1880 line and 660 198 County 16 Township Range 25E **NMPM** Eddy Section 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3469' GR 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON □ REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON COMMENCE DRILLING OPNS.□ P AND A CHANGE PLANS PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB П DOWNHOLE COMMINGLE OTHER: Amend Surface/Lease Commingle CTB-473 OTHER: 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. Yates Petroleum respectfully requests administrative approval to amend Surface/Lease Commingle order #CTB-473 to oil only and include the following wells: Amole AMM State Com #4 Boyd X State #12 N. Seven Rivers; Glorietta-Yeso N. Seven Rivers: Glorietta-Yeso Sec. 16-T19S-R25E Sec. 16-T19S-R25E API #30-015-28542 API #30-015-28738 St. Lease #LG-864 St. Lease #E-10167 Eddy County, NM Eddy County, NM The battery is located at Sec. 16-T19S-R25E, SWSE. Please see attached plats and site security diagram. The ownership is diversified. All owners have been notified the letter and all the certified receipts are attached. 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 battery. 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 the Amole #4 is 8 bbls and for the Boyd #12 is 5 bbls with a gravity of 38.6. NOTE: NDDUP #43 and #44 are not producing. The purpose of the surface/lease commingle of production 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will increase costs and shorten the economic life of the well. I hereby certify that the information above is true and complete to the best of my knowledge and belief. DATE 3/1//3 SIGNATURE . TITLE Production Analyst Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200 For State Use Only

TITLE

DATE

Conditions of Approval (if any):

APPROVED BY:

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u>

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.

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, NM 87505

| 1 A | PI Number | | T | ² Pool Code | | | ³ Pool Na | me | | |
|----------------------------------|---------------|-----------------|------------|------------------------|---------------------------|---------------------------|----------------------|----------------|----------|-----------------------|
| 30 | 0-015-28542 | | | 97565 | 1 | | N. Seven Rivers; G | lorieta-Yeso | | |
| ⁴ Property C 34689 | Code | | | | Property NDDUP I | | • | Well Number | | |
| ⁷ OGRID N 025575 | 1 | | | | Operator Vates Petroleum | Name | | | ÷ | PElevation 3476'GR |
| | | | | | 10 Surface | Location | | | | |
| UL or lot no. | Section 16 | | | | Feet from the 1980 | North/South line South | Feet from the 660 | East/We Eas | | County Eddy |
| | | ···· | 11 Bo | ottom Hol | e Location I | f Different From | m Surface | | | |
| UL or lot no. | Section | Township | Range | Lot idn | Feet from the | North/South line | Feet from the | East/Wo | est line | County |
| 12 Dedicated Acres 40 | Joint e | r Infill 14 Con | solidation | Code 15 Oro | der 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.

| | | | | · |
|--|--------------------------|---------------------|-------|--|
| | RECEI MAR 1: NMOCD | VED 2011 ARTESIA | | 17 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 hale 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 plotting agreement or a compulsory pooling order heretofore entered by the division March 10, 2011 Signiture Date Tims Huerta Printed Name timsh@yatespetroleum.com E-mail Address |
| | | | 660'E | 18SURVEYOR 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 Signature and Seal of Professional Surveyor: |
| | | 198065 | | Certificate Number |

District I 1625 N. French Dr., Hobbs, NM 88240

District II

12 Dedicated Acres

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410 District IV

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

13 Joint or lufill

¹¹ Consolidation Code

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

| | API Number 30-015-28738 | 7 | | ⁻² Pool Code 97565 | • | e de la companya de La companya de la co | Pool Na N. Seven Rivers: G | | 1 | |
|-----------------------|----------------------------|----------|-------|---------------------------------------|---------------|---|----------------------------|---------|---------|------------------------|
| ¹ Property | | | _1 | | 5 Property | Name | | | ٠, | Well Number |
| 34689 | | | | | , NDDUP | NDDUP Unit | | | | 20 |
| 'OGRID | Na. | ····· | ····· | · · · · · · · · · · · · · · · · · · · | * Operator | Name | | | | ⁹ Elevation |
| 02557 | 5 | Yates Pe | | | | troleum Corporation | | | 3469'GR | |
| | | | | | 10 Surface | Location | | | | |
| JL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/We | st line | County |
| н | 16 | . 198 | 25E | | 1880 | North | 660 | Eas | t | Eddy |
| | | | 11 Bo | ottom Ho | le Location I | f Different From | m Surface | | | |
| UL or lot no. | Section | Towaship | Range | Lot Idu | Feet from the | North/South line | Feet from the | East/We | st lipe | County |
| | | | | | | l | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the

¹⁵ Order No.

| 16 | RECEIVI FEB 24 20 NMOCD ART | 011 2 | | 17 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 kind including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an immer of such a mineral or working interest, or so a voluntary pooling dyvenment and compulsory pooling order heretofore entered by the drivion. |
|----|-----------------------------------|---------|-------|--|
| | | | 660,E | Fibruary 22, 2011 Significe Date Tima Huerta Printed Name tinah@yatespetroleum.com E-mail Address |
| | | | | 18 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 |
| | | | | Signature and Seal of Professional Surveyor: Certificate Number |

A. V1 closed

B. V5 sealed closed

C. V3 sealed closed

A. V1 open

B. V4 sealed closed

C. V5 sealed closed

D. V3 sealed open or closed

 \otimes

MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

S.P YATES



105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.

JOHN D. PERIN! EXECUTIVE V.P. OF MONETIZATION CHIEF FINANCIAL OFFICER

JAMES S. BROWN CHIEF OPERATING OFFICER

March 11, 2013

RE: Amend Surface Lease Commingle Boyd X State #12 Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting an approval from the Oil Conservation Division and the State Land Office to amend Surface Lease Commingle order #CTB-473 to oil only and include the following wells:

Amole AMM State Com #4 N. Seven Rivers; Glorietta-Yeso Sec. 16-T19S-R25E API #30-015-28542 St. Lease #LG-864 Eddy County, NM

Boyd X State #12 N. Seven Rivers; Glorietta-Yeso Sec. 16-T19S-R25E API #30-015-28738 St. Lease #E-10167 Eddy County, NM

The battery is located at Sec. 16-T19S-R25E, SWSE. Please see attached plats and site security diagram.

The ownership is diversified. All owners have been notified the letter and all the certified receipts are attached.

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 battery. 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 the Amole #4 is 8 bbls and for the Boyd #12 is 5 bbls with a gravity of 38.6.

The purpose of the surface/lease commingle of production 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will increase costs and shorten the economic life of the well.

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 notifications to owners.

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

Sincerely.

Miriam Morales
Production Analyst

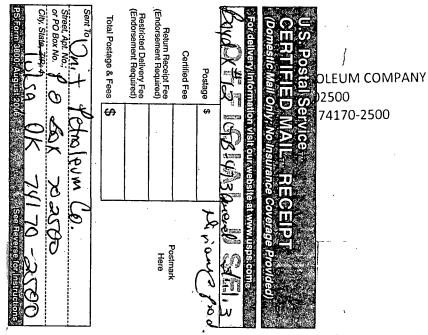




YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

7012 3460 0001 7466 1918

ADDRESS SERVICE REQUESTED



| 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 |
| 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 |
| . Article Addressed to: | D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No |
| | 11 |
| UNIT PETROLEUM COMPANY | |
| UNIT PETROLEUM COMPANY P O BOX 702500 TULSA, OK 74170-2500 | 3. Service Type All Certified Mail |
| P O BOX 702500 | 1 114 |
| P O BOX 702500 | Certified Mail |
| P O BOX 702500 | Certified Mail |



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

7012 3460 0001 7466 1901 7012 3460 0001 7466 1901

ADDRESS SERVICE REQUESTED

| Sinest, Apt. No. 249 3 Makik or PO Box No. 249 3 Makik City, State, ZiPyt PS Form 3800, August 2006 | (Endorsement Required) Total Postage & Fees | Certified Fee Return Receipt Fee (Endorsement Required) | Postage \$ | For delivery information visit our website at www.usps.com | U.S. Postal Service TM CERTIFIED MAILTM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) | S B BUNN LIVING TRUST AKIKI HEIGHTS DR JLU, HI 96822-2547 |
|--|--|---|-------------|--|--|---|
| Ki Heights Dr. | | Postmark Here | Minore from | T | | |

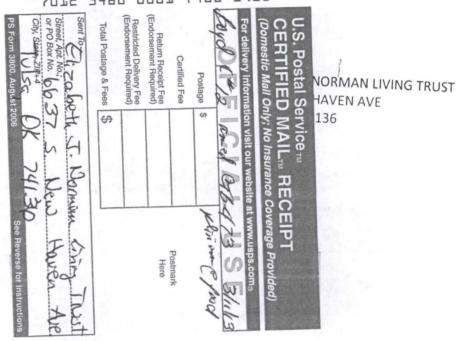
| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DEL | LIVERY |
|---|--|---------------------------|
| Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse | A. Signature | ☐ Agent ☐ Addressee |
| so that we can return 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 |
| Article Addressed to: | D. Is delivery address different from ite If YES, enter delivery address belo | interest and |
| FRANCES B BUNN LIVING TRUST | 11 | |
| | | |
| 2493 MAKIĶI HEIGHTS DR HONOLULU, HI 96822-2547 | | |
| 2493 MAKIKI HEIGHTS DR | 3. Service Type A Certified Mail | |
| 2493 MAKIKI HEIGHTS DR | ☐ Certified Mall ☐ Express M☐ Registered ☐ Return Rec | all celpt for Merchandise |
| 2493 MAKIĶI HEIGHTS DR HONOLULU, HI 96822-2547 | ☐ Certified Mall ☐ Express M☐ Registered ☐ Return Rec☐ Insured Mail ☐ C.O.D. | celpt for Merchandise |



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

7012 3460 0001 7466 1925 7012 3460 0001 7466 1925

ADDRESS SERVICE REQUESTED



| COMPLETE THIS SECTION ON DEL | LIVERY | |
|--|--|--|
| A. Signature | ☐ Agent ☐ Addressee | |
| B. Received by (Printed Name) C. Date of Delive | | |
| D. Is delivery address different from ite If YES, enter delivery address belo | | |
| | | |
| 3. Service Type | | |
| □ Registered □ Return Red □ Insured Mail □ C.O.D. | all celpt for Merchandise | |
| | A. Signature X B. Received by (<i>Printed Name</i>) D. Is delivery address different from ite If YES, enter delivery address below | |



YATES BUILDING - 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 7012 3460 0001 7466 1550 7012 3460 0001 7466 1550

ADDRESS SERVICE REQUESTED



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 | | | |
|---|--|--|--|--|
| 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 | | | |
| 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 Deli | | | |
| Article Addressed to: | D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No | | | |
| New Mexico State Land Office Commissioner of Public Lands 310 Old Santa Fe Trail | | | | |
| P.O. Box 1148 | 3. Service Type All Certified Mall | | | |
| Santa Fe, New Mexico 87504-1148 | | | | |
| Santa Fe, New Mexico 87504-1148 | ☐ Registered ☐ Return Receipt for Merchandise | | | |
| Santa Fe, New Mexico 87504-1148 2. Article Number (Transfer from s 7012 3460 0001 | □ Registered □ Return Receipt for Merchandise □ Insured Mail □ C.O.D. 4. Restricted Delivery? (Extra Fee) □ Yes | | | |