

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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, POU

[F] ☒ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Miriam Morales
Print or Type Name

Miriam Morales
Signature

Production Analyst
Title

3/30/15
Date

mmorales@yatespetroleum.com
e-mail Address

NSL 78752
- Yates Petroleum Corporation
25578
wey
- Per Domo BMP State Com 14
30-015-36459
RECEIVED OGD
2015 APR - 6 P 3:06
- Humidor BML State
Com 14
30-015-42765
- Macanudo BTL
State Com 14
30-015-42893
- Willow Lake's Bone
Spring, West
46415

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Yates Petroleum Corporation
OPERATOR ADDRESS: 105 South Fourth St. Artesia, NM 88210
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(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 allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. Berry; Bone Spring, west #96415
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: 

TITLE: Production Analyst

DATE: 3/30/15

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-015-42893
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0545
7. Lease Name or Unit Agreement Name Macanudo BTE State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Willow Lake; Bone Spring, west

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. Fourth Street Artesia, NM 88210

4. Well Location

Unit Letter I : 2365 feet from the S line and 605 feet from the E line
Section 23 Township 24S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3171' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Surface Lease Commingle ☒

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 surface lease commingle oil & gas production for the following wells:

Perdomo BMP State #1H
Willow lake; Bone Spring, W
Sec. 24-T24S-R27E
API #30-015-36499
St. Lease # VB-827, VO-5867
Eddy County, NM

Humidor BML State Com #5H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42755
St. lease #VA-1835
Eddy County, NM

Macanudo BTE State Com #1H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42893
St. lease #VB-0545
Eddy County, NM

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

The ownership is diversified. All owners have been notified and copies of certified receipts and letters are attached.

Oil Measurement

Each of these wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Perdomo #1H. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to totals battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Perdomo #1H is 7 bbls, Humidor #5H is 675 bbls, and for the Macanudo #1H is 675 bbls.

Gas Measurement

Total gas production and sales/transferred will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP meter #10988 is located at the Perdomo #1H.

Estimated daily gas production for the Perdomo #1H is 253 MCF, Humidor #5H is 750 MCF, and for the Macanudo #1H is 450 MCF.

The purpose of the Surface Lease Commingle is in the interest of conservation, 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.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Miriam Morales TITLE Production Analyst DATE 3/30/15
Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

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 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED
APR 13 2010
NMOCD ARTESIA☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3001536499	Pool Code	Pool Name Wildcat Bone Spring
Property Code	Property Name PERDOMO "BMP" STATE	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3149'

Surface Location

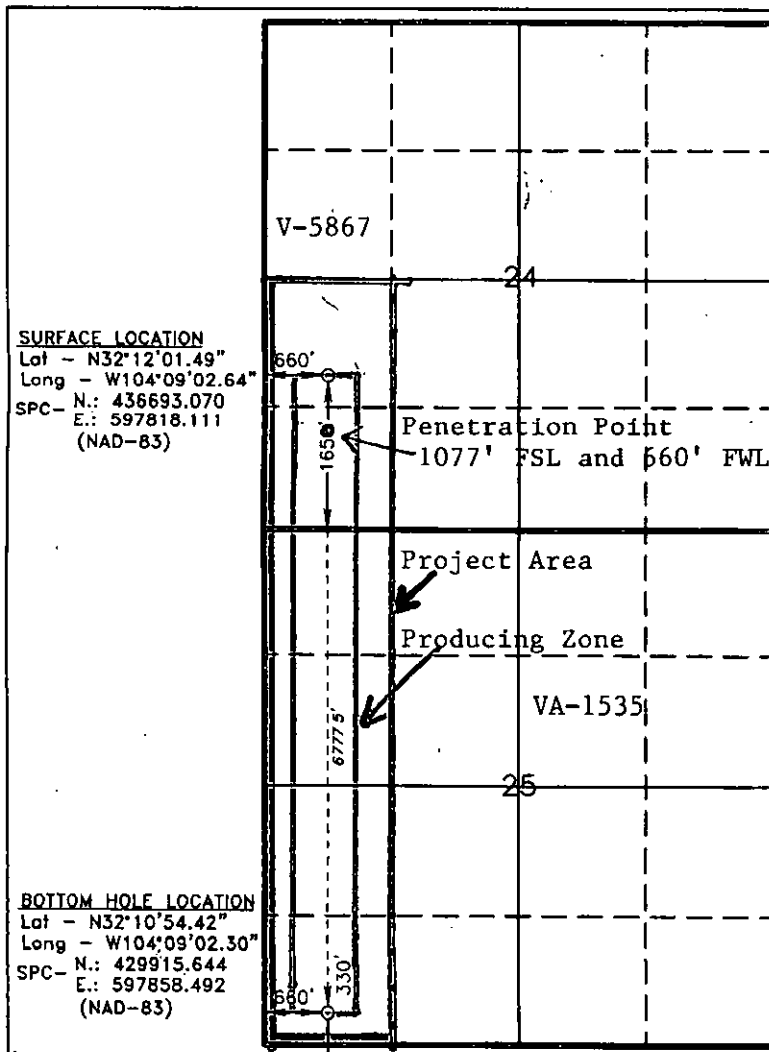
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	24 S	27 E		1650	SOUTH	660	WEST	EDDY

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	25	24 S	27 E		330	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Clifton May 4/12/10
 Signature Date

Clifton May
 Printed Name

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.

JULY 27 1908

Date Surveyed
 Signature
 Professional Surveyor

W.C. Jones

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

DISTRICT I NM OIL CONSERVATION

1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax: (505) 393-9720

DISTRICT II, Artesia District
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87401
Phone (505) 334-6178 Fax: (505) 334-6179

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3469 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.

RECEIVED

OCT 24 2014

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42755	Pool Code 96415	Pool Name Willow Lake; Bone Spring, West
Property Code 37344	Property Name HUMIDOR BML STATE COM	Well Number 5H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3171

Surface Location

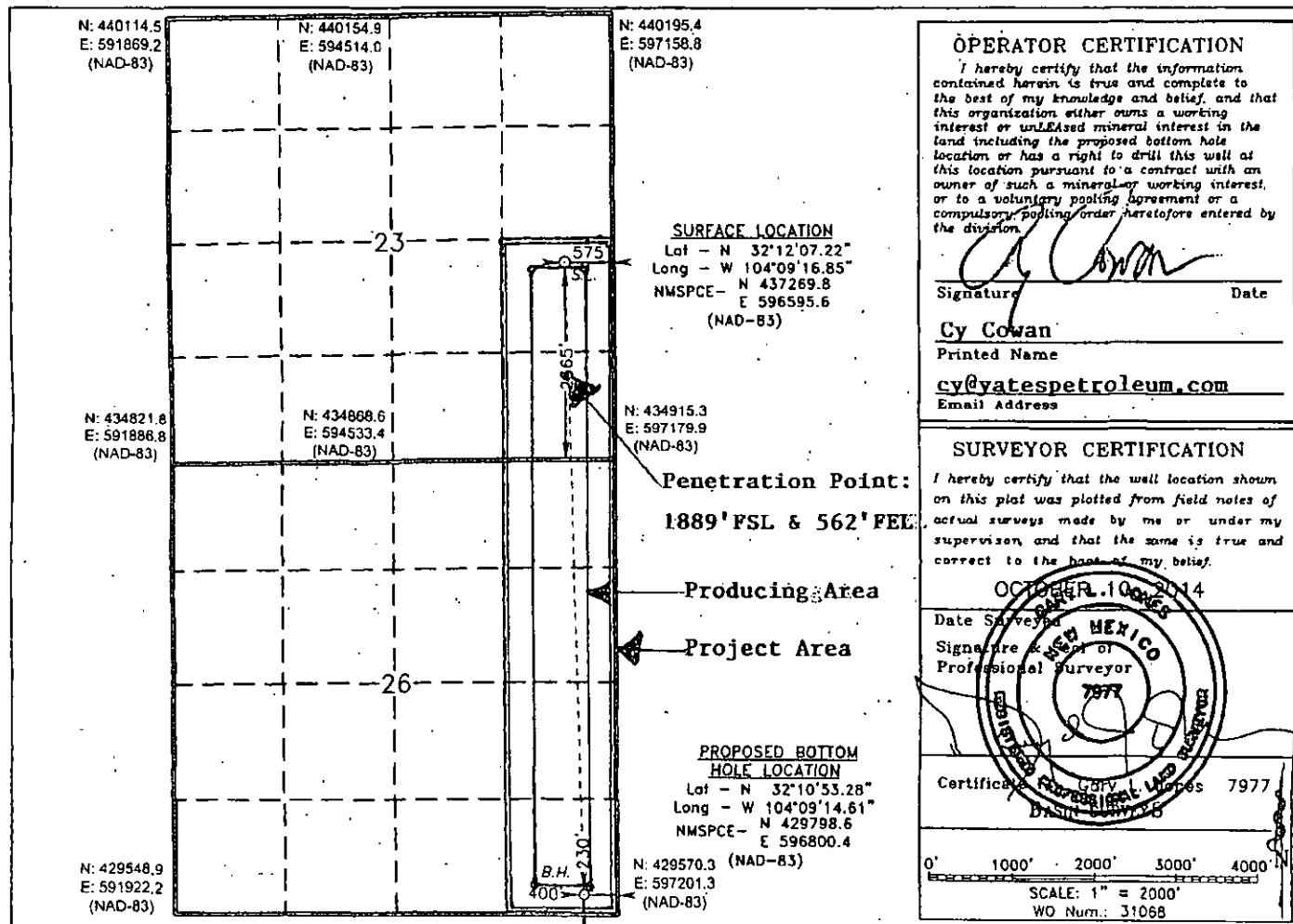
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	23	24 S	27 E		2365	SOUTH	575	EAST	EDDY

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
P	26	24 S	27 E		230	SOUTH	400	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240.00			

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



NM OIL CONSERVATION ARTESIA DISTRICT

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240
Phone (505) 333-6161 Fax: (505) 333-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone (505) 746-1283 Fax: (505) 746-0720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6176

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

JAN 14 2015

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 30-015-42893	Pool Code 96415	Pool Name Willow Lake; Bone Spring, West
Property Code 314090	Property Name MACANUDO BTE STATE COM	
Well Number 1H	Elevation 3171'	
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	

Surface Location

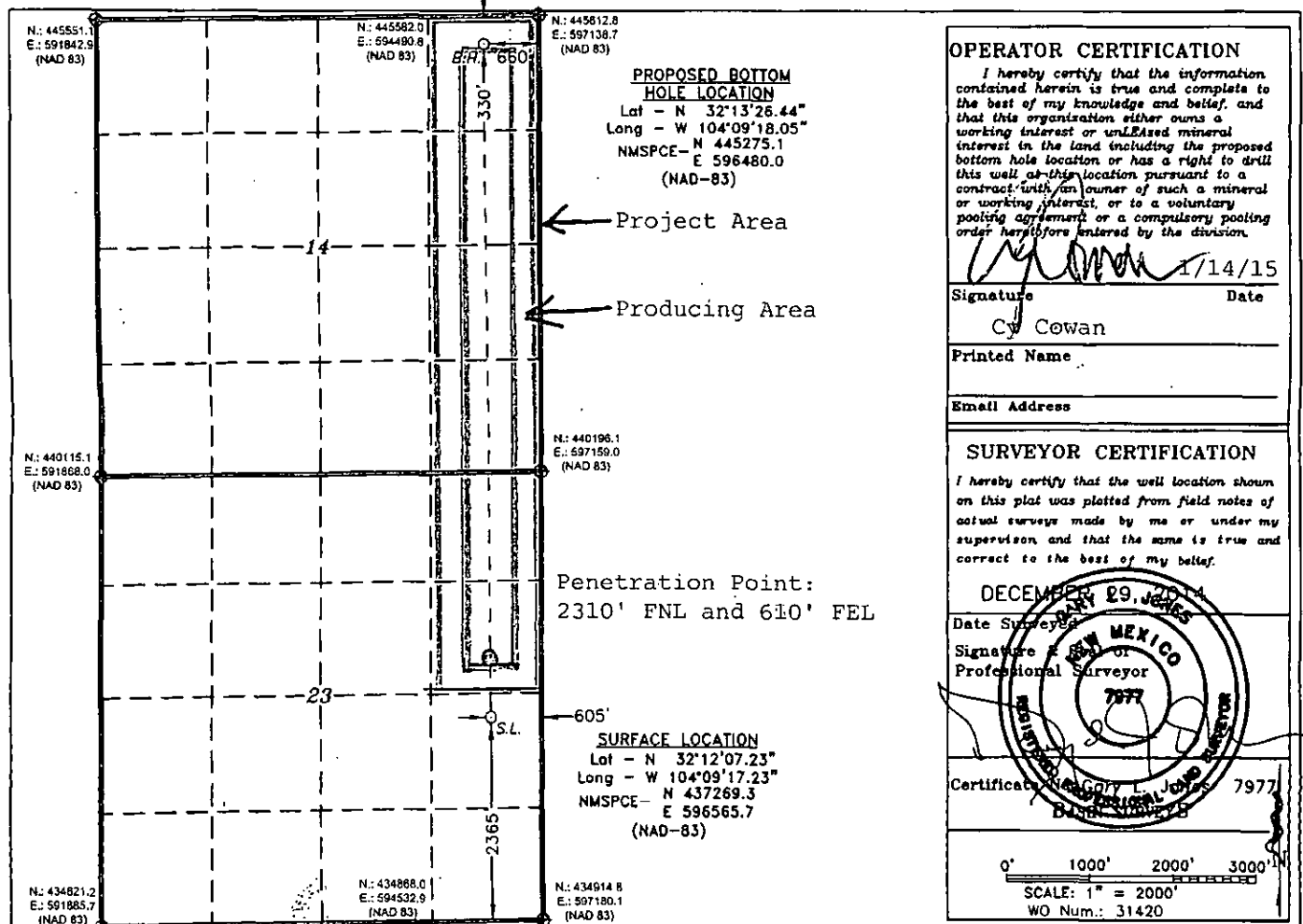
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/NORTH LINE	Feet from the	East/West line	County
1	23	24 S	27 E		2365	SOUTH	605	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/NORTH LINE	Feet from the	East/West line	County
A	14	24 S	27 E		330	NORTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

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



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

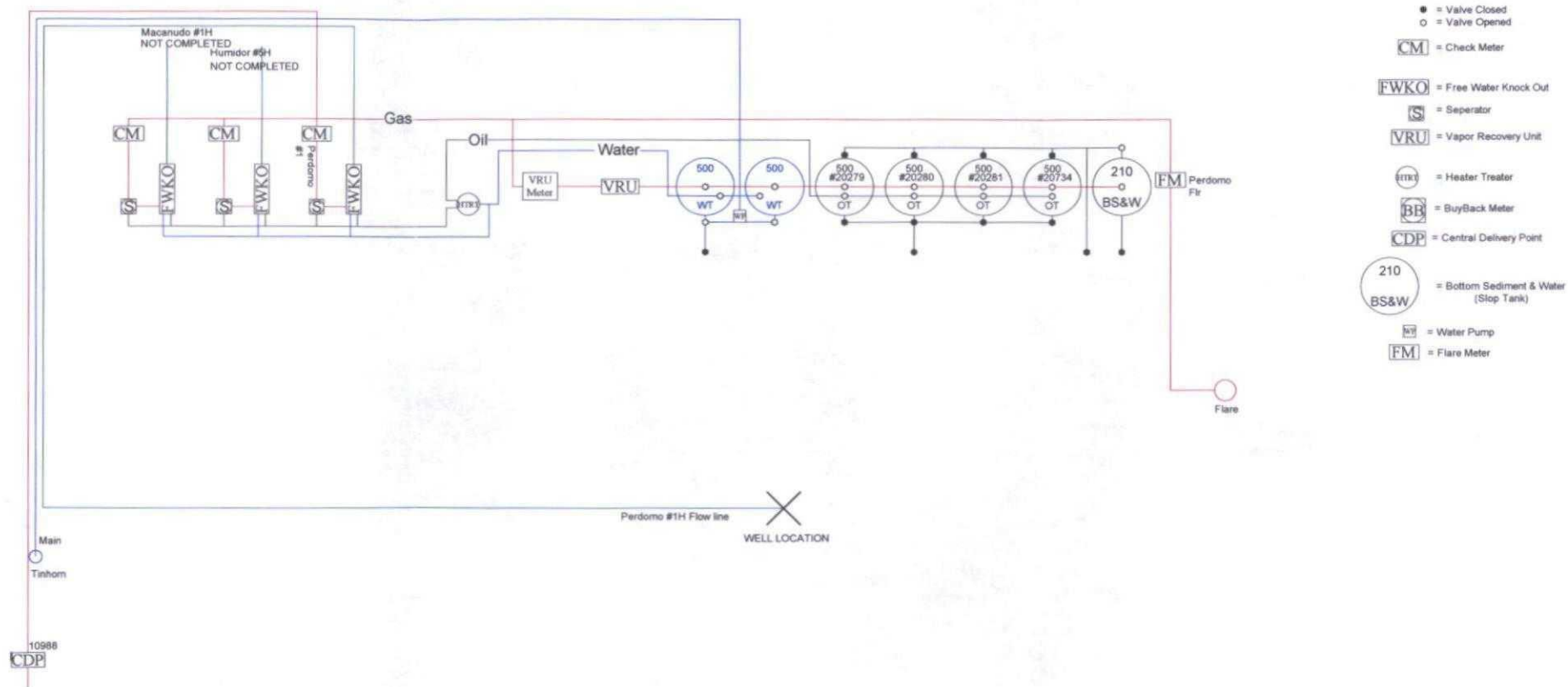
-Junior Orquiz
-March, 2015

Perdomo BMP State Com Battery

1650' FSL & 660' FWL * Sec 24 - T24S-R27E* Unit L

Eddy County, NM

API - 3001536499



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

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface Lease Commingle
Macanudo BTE State Com #1H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease commingle oil & gas for the following wells:

Perdomo BMP State #1H
Willow lake; Bone Spring, W
Sec. 24-T24S-R27E
API #30-015-36499
St. Lease # VB-827, VO-5867
Eddy County, NM

Humidor BML State Com #5H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42755
St. lease #VA-1835
Eddy County, NM

Macanudo BTE State Com #1H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42893
St. lease #VB-0545
Eddy County, NM

The battery is located at the Perdomo BMP State #1H.
The ownership is diversified.

Oil Measurement

Each of these wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Perdomo #1H. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to totals battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Perdomo #1H is 7 bbls, Humidor #5H is 675 bbls, and for the Macanudo #1H is 675 bbls

Gas Measurement

Total gas production and sales/transferred will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP meter is located at the Perdomo #1H.

Estimated daily gas production for the Perdomo #1H is 253 MCF, Humidor #5H is 750 MCF, and for the Macanudo #1H is 450 MCF.

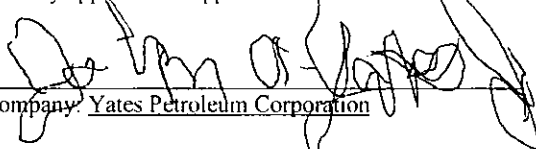
The purpose of the Surface Lease Commingle is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing the same battery, it will become necessary to build separate facilities for each well.

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: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

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CHAIRMAN OF THE BOARD
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JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface Lease Commingle
Macanudo BTE State Com #1H
Eddy County, New Mexico

Dear Interest Owner,

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Perdomo BMP State #1H
Willow lake; Bone Spring, W
Sec. 24-T24S-R27E
API #30-015-36499
St. Lease # VB-827, VO-5867
Eddy County, NM

Humidor BML State Com #5H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42755
St. lease #VA-1835
Eddy County, NM

Macanudo BTE State Com #1H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42893
St. lease #VB-0545
Eddy County, NM

The battery is located at the Perdomo BMP State #1H.
The ownership is diversified.

Oil Measurement

Each of these wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Perdomo #1H. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to totals battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

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Gas Measurement

Total gas production and sales/transferred will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP meter is located at the Perdomo #1H.

Estimated daily gas production for the Perdomo #1H is 253 MCF, Humidor #5H is 750 MCF, and for the Macanudo #1H is 450 MCF.

The purpose of the Surface Lease Commingle is in the interest of conservation, 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.

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: Myco Industries, Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

www.yatespetroleum.com

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CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface Lease Commingle
Macanudo BTE State Com #1H
Eddy County, New Mexico

Dear Interest Owner,

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Eddy County, NM

Humidor BML State Com #5H
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Macanudo BTE State Com #1H
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Eddy County, NM

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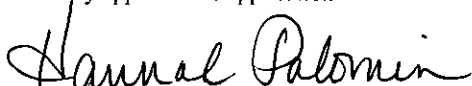
The purpose of the Surface Lease Commingle is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing the same battery, it will become necessary to build separate facilities for each well.

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: SharbroEnergy, LLC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface Lease Commingle
Macanudo BTE State Com #1H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface lease commingle oil & gas for the following wells:

Perdomo BMP State #1H
Willow lake; Bone Spring, W
Sec. 24-T24S-R27E
API #30-015-36499
St. Lease # VB-827, VO-5867
Eddy County, NM

Humidor BML State Com #5H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42755
St. lease #VA-1835
Eddy County, NM

Macanudo BTE State Com #1H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42893
St. lease #VB-0545
Eddy County, NM

The battery is located at the Perdomo BMP State #1H.
The ownership is diversified.

Oil Measurement

Each of these wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Perdomo #1H. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to totals battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Perdomo #1H is 7 bbls, Humidor #5H is 675 bbls, and for the Macanudo #1H is 675 bbls

Gas Measurement

Total gas production and sales/transferred will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP meter is located at the Perdomo #1H.

Estimated daily gas production for the Perdomo #1H is 253 MCF, Humidor #5H is 750 MCF, and for the Macanudo #1H is 450 MCF.


The purpose of the Surface Lease Commingle is in the interest of conservation, 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.

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: Abo Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

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JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

March 30, 2015

RE: Surface Lease Commingle
Macanudo BTE State Com #1H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division and the State Land Office to Surface lease commingle oil & gas for the following wells:

Perdomo BMP State #1H
Willow lake; Bone Spring, W
Sec. 24-T24S-R27E
API #30-015-36499
St. Lease # VB-827, VO-5867
Eddy County, NM

Humidor BML State Com #5H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42755
St. lease #VA-1835
Eddy County, NM

Macanudo BTE State Com #1H
Willow lake; Bone Spring, W
Sec. 23-T24S-R27E
API #30-015-42893
St. lease #VB-0545
Eddy County, NM

The battery is located at the Perdomo BMP State #1H.
The ownership is diversified.

Oil Measurement

Each of these wells will be equipped with continuously metering separators for oil production prior to oil being commingled for sales at the Perdomo #1H. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to totals battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Estimated daily oil production for the Perdomo #1H is 7 bbls, Humidor #5H is 675 bbls, and for the Macanudo #1H is 675 bbls.

Gas Measurement

Total gas production and sales/transferred will be based on the measurement at the CDP and allocated back to each well based on EFM readings. The Agave's CDP meter #10988 is located at the Perdomo #1H.

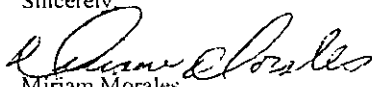
Estimated daily gas production for the Perdomo #1H is 253 MCF, Humidor #5H is 750 MCF, and for the Macanudo #1H is 450 MCF

The purpose of the Surface Lease Commingle is in the interest of conservation, 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.

Any objection 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 notification to owners.

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

Sincerely,


Miriam Morales
Production Analyst

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

CERTIFIED MAIL™



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

7014 0510 0001 0743 4801
7014 0510 0001 0743 4801

ADDRESS SERVICE REQUESTED

U.S. Postal Service™ RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

**NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES**

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

Postmark Here

Sent to
Street, Apt. No.
or P.O. Box No.
City, State, ZIP+4
Yates Industries LLC
P O Box 1091
Artesia NM 88211-1091

PS Form 3800 August 2006 See Reverse for Instructions

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

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
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 so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

2. Article Number
(Transfer from St)

7014 0510 0001 0743 4801

PS Form 3811, July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

Domestic Return Receipt



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

ADDRESS SERVICE REQUESTED

7014 0510 0001 0743 4795

7014 0510 0001 0743 4795

Sent to
Street, Apt. No.,
or PO Box No.
City, State, ZIP
PS Form 3800, August 2006
See Reverse for Instructions

OXY Y-1 Company
P O BOX 841803
Dallas TX 75284

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

\$

Postmark
Here

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
Domestic Mail Only. No Insurance Coverage Provided

For delivery information visit our website at www.usps.com

W. M. C. P. D. B. 136075
H. M. C. P. D. B.

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

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

SENDER: COMPLETE THIS SECTION

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

2. Article Number
(Transfer from)

7014 0510 0001 0743 4795

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail®

☐ Priority Mail Express™

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes



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

ADDRESS SERVICE REQUESTED

CERTIFIED MAIL

7014 0510 0001 0743 4818

7014 0510 0001 0743 4818

U.S. Postal Service TM CERTIFIED MAILTM RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Postmark Here	
Sent to Petro-Hunt LLC Street, Apt. No., or PO Box No. City, State, ZIP Dallas TX 75265	
PS Form 3800, August 2006 See Reverse for Instructions	

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
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 so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Petro-Hunt LLC
P.O. Box 650823
Dallas, TX 75265

2. Article Number
(Transfer from serv)

7014 0510 0001 0743 4818

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail[®]

☐ Priority Mail Express[™]

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

CERTIFIED MAIL™



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

ADDRESS SERVICE REQUESTED

7014 0510 0001 0743 4832
7014 0510 0001 0743 4832

Sent to
N.M.S.L.O.
Street, Apt. No.,
or PO Box No.
P.O. Box 1148
City, State, ZIP
Santa Fe NM 87504
PS Form 3800, August 2006 See Reverse for Instructions

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

Postmark
Here

U.S. Postal Service™ RECEIPT
CERTIFIED MAIL™
(Domestic Mail Only, No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com
LACERED BY KC 02/15/15
Linn E. Paul

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, New Mexico 87504-1

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
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 so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

2. Article Number
(Transfer from se

7014 0510 0001 0743 4832

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

Prod History - Monthly by Delsys and Well Comp - Whole

Property Type Code	Property Header Name	Days Up	Oil Beg Inv	Oil End Inv	Oil Production	Oil Sales	Oil Uses	Gas Production	Gas Sales	Gas Sales MMBTU	Gas Uses	Water Production	Water Uses	Water Injection
New Mexico														
Delivery System: DS01614 PERDOMO BM DelSys														
9/30/2014														
WellComp	PERDOMO BMP STATE COM #1H/BONE	30	283.00	294.00	11.00	0.00	0.00	6,202.00	6,079.00	6,923.98	123.00	1,135.00	1,135.00	0.00
	9/30/2014 Total:		283.00	294.00	11.00	0.00	0.00	6,202.00	6,079.00	6,923.98	123.00	1,135.00	1,135.00	0.00
10/31/2014														
WellComp	PERDOMO BMP STATE COM #1H/BONE	24	294.00	305.00	11.00	0.00	0.00	6,722.00	6,599.00	7,515.00	123.00	240.00	240.00	0.00
	10/31/2014 Total:		294.00	305.00	11.00	0.00	0.00	6,722.00	6,599.00	7,515.00	123.00	240.00	240.00	0.00
11/30/2014														
WellComp	PERDOMO BMP STATE COM #1H/BONE	28	305.00	316.00	11.00	0.00	0.00	4,257.00	4,134.00	4,708.00	123.00	0.00	0.00	0.00
	11/30/2014 Total:		305.00	316.00	11.00	0.00	0.00	4,257.00	4,134.00	4,708.00	123.00	0.00	0.00	0.00
12/31/2014														
WellComp	PERDOMO BMP STATE COM #1H/BONE	31	316.00	402.00	86.00	0.00	0.00	4,355.00	4,232.00	4,820.00	123.00	902.00	902.00	0.00
	12/31/2014 Total:		316.00	402.00	86.00	0.00	0.00	4,355.00	4,232.00	4,820.00	123.00	902.00	902.00	0.00
1/31/2015														
WellComp	PERDOMO BMP STATE COM #1H/BONE	22	402.00	404.00	2.00	0.00	0.00	3,133.00	2,986.00	3,385.00	147.00	18.00	18.00	0.00
	1/31/2015 Total:		402.00	404.00	2.00	0.00	0.00	3,133.00	2,986.00	3,385.00	147.00	18.00	18.00	0.00
2/28/2015														
WellComp	PERDOMO BMP STATE COM #1H/BONE	28	404.00	443.00	39.00	0.00	0.00	7,005.00	6,858.00	7,773.00	147.00	604.00	604.00	0.00
	2/28/2015 Total:		404.00	443.00	39.00	0.00	0.00	7,005.00	6,858.00	7,773.00	147.00	604.00	604.00	0.00
	PERDOMO BM DelSys	Total:	2,004.00	2,164.00	160.00	0.00	0.00	31,674.00	30,888.00	35,124.98	786.00	2,899.00	2,899.00	0.00
	New Mexico	Total:	2,004.00	2,164.00	160.00	0.00	0.00	31,674.00	30,888.00	35,124.98	786.00	2,899.00	2,899.00	0.00
	Report	Total:	2,004.00	2,164.00	160.00	0.00	0.00	31,674.00	30,888.00	35,124.98	786.00	2,899.00	2,899.00	0.00

Production Date Equals 9/1/2014 12:00:00 AM
AND 3/31/2015 12:00:00 AM
State In List 'New Mexico'
Well Equals 006700 PERDOMO BMP STATE
COM #1H

McMillan, Michael, EMNRD

From: Miriam Morales <MMorales@yatespetroleum.com>
Sent: Tuesday, April 07, 2015 1:32 PM
To: McMillan, Michael, EMNRD
Subject: RE: Perdomo Surface commingling application
Attachments: MX-5110N_20150407_125633.pdf

Here you go. The Perdomo is the only one that has production. Thank you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, April 07, 2015 9:43 AM
To: Miriam Morales
Subject: Perdomo Surface commingling application

Ms. Morales:

can you provide production for the Perdomo, Macanudo , and Humidor wells. Please use the same format that you used in the past.

Thank You

Mike

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