

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

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

WELL API NO. 30-015-40963
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM-57274
7. Lease Name or Unit Agreement Name Haracz AMO Federal
8. Well Number 10H
9. OGRID Number 025575
10. Pool name or Wildcat Cotton Draw; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3575' GR

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 A : 200 feet from the N line and 660 feet from the E line
Section 24 Township 24S Range 31E NMPM Eddy County

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 pool commingle ☒

OTHER: PC 1284 ☐

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 pool commingle production for the following wells:

Haracz AMO Federal #7(DHC-1430)
Cotton Draw; Bone Spring
Cotton Draw; Delaware
Sec. 19-T24S-R32E
API #30-025-33345
Fed. Lease #NM-57274
Lea County, NM

Haracz AMO Federal #10H
Berry; Bone Spring, north
Sec. 24-T24S-R31E
API #30-025-40963
Fed. Lease #NM-57274
Eddy County, NM

The battery is located at the Haracz AMO Federal #7. Please see attached site security diagram.
The ownership is identical, see attach letter signed by landman.

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 Haracz #7. 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 Haracz #7 is 8 bbls and for the Haracz #10H is 250 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 #104082 is located at the Haracz #7.

Estimated daily gas production for the Haracz #7 is 22 MCF and for the Haracz #10H is 415 MCF.

The purpose of the Surface pool 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.

Reviewed by MAM recommend Approval 4/28/2015

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 4/23/15
Type or print name Miriam Morales E-mail address: mmorales@yatespetroleum.com PHONE: 575-748-4200

For State Use Only

APPROVED BY: David R. Chant TITLE Division Director DATE 4/30/15

Conditions of Approval (if any):