



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

April 7, 2016

Yates Petroleum Corp.
105 South 4th St.
Artesia, NM 88210

Attention: Ms. Miriam Morales

Order 2905

Re: Surface Commingle Hemlock BSH State
Sec 32-23S-33E
Hemlock BSH State #1H API #30-025-40489
Hemlock BSH State #2H API#30-025-40891
Yarrow BHY State #1 API#30-025-37561
Yarrow BHY State #2 API#30-025-40878
Yarrow BHY State #3H API #30-025-40314
Yarrow BHY State #4H API#30-025-41054
Yarrow BHY State #5H API#30-025-40907
Brinninstol; Delaware Pool (96193) and Triple X; Bone Spring Pool (59900)
Lea County, New Mexico

Dear Ms. Morales:

We are in receipt of your application requesting to surface commingle the above captioned wells into a central tank battery at Hemlock BSH State #1H @ Sec 32-23S-33E.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division. Please submit a copy of the NMOCD's approval to this office.

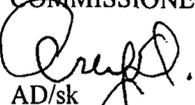
Our approval does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Please submit a \$30.00 dollar filing fee. When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS


AD/sk

cc: Reader File
OCD-Mr. Daniel Sanchez