

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Yates

ADMINISTRATIVE APPLICATION CHECKLIST 30-005-64063

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 SLD
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

RECEIVED OGD
 2010 MAY 26 A 10:52

[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.

MAYTE REYES Mate Reyes Production Clerk 5-24-10
 Print or Type Name Signature Title Date
mayte@yatespetroleum.com
 e-mail Address

in

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 4TH STREET, ARTESIA NM 88210
APPLICATION TYPE:

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

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.
(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 attach 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

- A schematic diagram of facility, including legal location.
- A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
- 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: Yvonne Reyes TITLE: PRODUCTION CLERK DATE: 5-24-2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil Gas <input type="checkbox"/> Well <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-101580
2. Name of Operator Yates Petroleum Corporation	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 7481471	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FWL, Sec.6-T12S-R27E (Unit L, NWSW)	8. Well Name and No. Grid Iron BLI Federal Com #2
	9. API Well No. 30-005-64063 ✓
	10. Field and Pool, or Exploratory Area Coyote/Wolfcamp
	11. County or Parish, State Chavez County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Off Lease Measurement	<input type="checkbox"/> Dispose Water
		<small>(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)</small>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request approval for off lease measurement for the following well:

Grid Iron BLI Federal Com #2
Section 6-T12S-R27E
Coyote Wolfcamp
API #30-005-64063
Chavez County, NM
Federal Lease # NM-101580

The gas and oil from the Grid Iron BLI Federal Com #2 will be measured and sold on the Football BCF Federal #2H Sec-1-T12S-R26E.

" Note: Per rancher request, this application is being filed. Well will have it's own tank and meter and all equipment is located on Federal land." No surface commingle will take place.

The off lease measurement of production is in the interest of conservation and economic feasibility, and will not result in reduced royalty or improper measurement of production.

14. I hereby certify that the foregoing is true and correct

Signed Marilyn Rego Title Production Secretary Date May 24, 2010

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

DISTRICT I
1225 N. French Dr., Hobbs, NM 88240

DISTRICT II
1201 W. Grand Avenue, Artesa, NM 88210

DISTRICT III
1000 E. Brusco Rd., Artesa, NM 87410

DISTRICT IV
1220 N. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30.005.6406.3	Pool Code 97361	Pool Name Wolfcamp; Coyote (G)
Property Code 37239	Property Name GRIDIRON "BLI" FEDERAL COM	Well Number 2
UGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3739'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	6	12 S	27 E		1980	SOUTH	660	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres S/2 320 acres	Joint or Infill	Consolidation Code	Order No.
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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

<p>SURFACE LOCATION Lat - N33°18'18.00" Long - W104°16'58.57" SPC- N.: 838509.609 E.: 556738.274 (NAD-83)</p>	<p>NM-101580</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Debbie L. Caffall</i> Signature _____ Date _____ Debbie L. Caffall 8/21/2008 Printed Name _____</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>AUG 21 2008 Date Surveyed _____ Signature & Seal of Professional Surveyor _____ W.O. _____ 19 Certificate No. Gory L. Jones 7977</p> <p>BASIN SURVEYS</p>



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

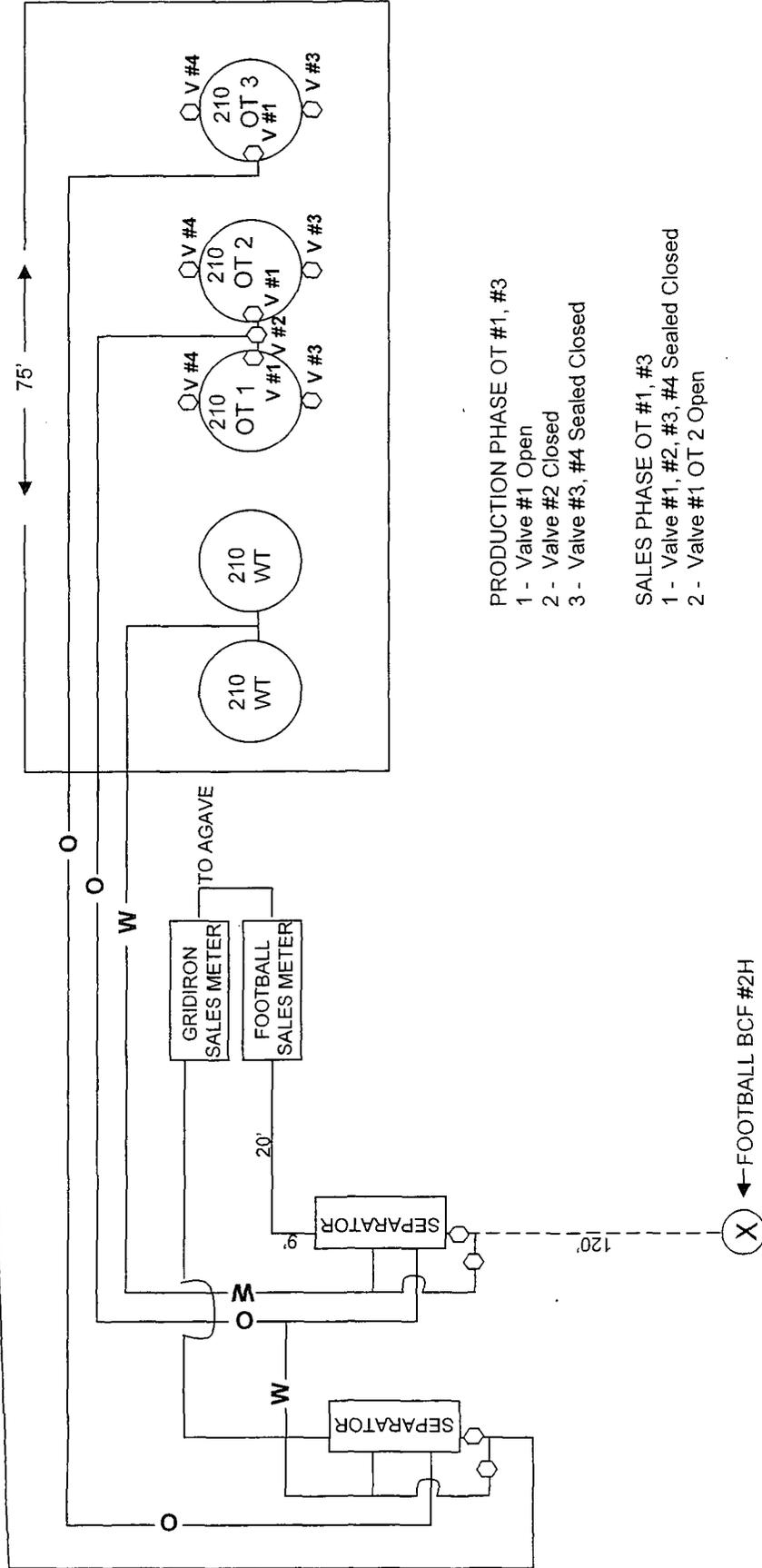
FOOTBALL BCF FEDERAL #2H

1929' FSL & 1959' FEL * Sec 01 - T12S - R26E * Unit I
Chaves County, New Mexico
API 30-005-64020

GRIDIRON BLI #2 PIPE LINE
APPROXIMATELY 1200'
DOWN NORTH OF ROAD

-Paul Hanes
November, 2010

FLOW LINE FROM GRIDIRON BLI #2



PRODUCTION PHASE OT #1, #3

- 1 - Valve #1 Open
- 2 - Valve #2 Closed
- 3 - Valve #3, #4 Sealed Closed

SALES PHASE OT #1, #3

- 1 - Valve #1, #2, #3, #4 Sealed Closed
- 2 - Valve #1 OT 2 Open

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

SCOTT M. YATES
VICE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

May 25, 2010

Re: Off Lease Measurement
Coyote/ Wolfcamp
Chavez County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request approval for off lease measurement for the following well:

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Section 6-T12S-R27E
Coyote Wolfcamp
API #30-005-64063
Chavez County, NM
Federal Lease # NM-101580

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Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (575) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

A handwritten signature in cursive script, appearing to read 'Sharon Snowden', is written over a horizontal line.

Company: MYCO Industries Inc.

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S. P. YATES

1914-2008



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Company: Sharbro Oil LTD. Co.

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S. P. YATES

1914-2008



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Mayte Reyes
Production Clerk

I hereby approve this application

Company: ABO Petroleum Corporation.

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
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Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

A handwritten signature in cursive script that reads 'Tony Kubacki'. The signature is written in black ink and is positioned above a horizontal line.

Company: Yates Drilling Company.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



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ARTESIA, NEW MEXICO 88210-2118
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Production Clerk

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Company: Yates Petroleum Corporation.

7009 2250 0004 1781 0831
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U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

OFF LEASE MEASUREMENT / **GRIP LOCK # 1**

Postage	\$	MAXTE PROO 5-25-10 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total P		

Sent To: Bureau of land Management
 2909 West 2nd
 Roswell, NM 88201

PS Form 3800, August 2006 See Reverse for Instructions

Bureau of land Management
 2909 West 2nd
 Roswell, NM 88201

PS Form 3811, February 2004
 Domestic Return Receipt
 102595-02-M-1540

2. Article Number
 (Transfer from service label)
 7009 2250 0004 1781 0831

1. Article Addressed to:
 Bureau of land Management
 2909 West 2nd
 Roswell, NM 88201

3. Service Type
 Certified Mail
 Registered
 Return Receipt for Merchandise
 Insured Mail
 C.O.D.

4. Restricted Delivery? (Extra Fee)
 Yes

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

B. Received by (Printed Name) _____
 C. Date of Delivery _____

A. Signature _____
 Agent
 Addressee

SENDER: COMPLETE THIS SECTION
COMPLETE THIS SECTION ON DELIVERY

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 2. Print your name and address on the reverse so that we can return the card to you.
 3. Attach this card to the back of the mailpiece, or on the front if space permits.