MARTIN YATES, III 1012-1005 FRANK W. YATES 1930-1980 S.P YATES 1914-2008



105 600TH FOURTH BTREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE 15751 740-1471

www.yatespetroleam.com

JOHN A. YATES CHAIRMAN CHERITUS

JDHN A. YATES JR. CHAIRMAN OF THE BOARD

DOUGLAS E. DROOKS PRESIDENT CHIEF EXECUTIVE DIFICER

JOHN D. PERINI DHIEF FINANCIAL OFFICER

March 2, 2016

4.4.4

David Catanach, Director Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case 15437 Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

Yates Petroleum Corporation is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the W/2W/2 Sec. 19-20S-35E well proposed by Caza. Yates supports Caza in this case, for the following reasons:

1. Yates' geologists and engineers believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.

2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.

3. Caza cannot drill a lateral including lands to the south because Second Bone Spring wells have already been drilled in Section 30.

4. The correlative rights of the interest owners in the NW/4 of Section will be protected by a 160 acre standup well unit.

Very truly yours,

YATES PETROLEUM CORPORATION

4. Pater Kath

Kathy H. Porter Attorney-in-Fact

Oil Conservation Division Case No. Exhibit No.

ABO PETROLEUM CORPORATION

OIL PRODUCERS PO BOX 900 • ARTESIA, NM 88211-0900 • PHONE (575) 748-4250

March 2, 2016

David Catanach, Director Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case 15437 Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

Yates Petroleum Corporation is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the W/2W/2 Sec. 19-20S-35E well proposed by Caza. Abo supports Caza's efforts in this case, for the following reasons:

1. Abo's management believes that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.

2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.

3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.

4. The correlative rights of the interest owners in the NW/4 of Section will be protected by a 160 acre standup well unit.

Very truly yours,

Abo Petroleum Corporation



MYCO INDUSTRIES, INC. OIL PRODUCERS POST OFFICE BOX 840 ARTESIA, NEW MEXICO 88211-0840 Phone (575) 748-4280

March 2, 2016

David Catanach, Director Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case 15437 Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

MYCO Industries, Inc. is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the well proposed by Caza. MYCO supports Caza in this case, for the following reasons:

1. MYCO's geologist and engineer believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.

2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.

3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.

4. The correlative rights of the interest owners in the NW/4 of Section 19 will be protected by a 160 acre standup well unit.

Very truly yours,

MYCOANDUSTRIES. INC.

President \tilde{v}

SHARBRO ENERGY, LLC

Post Office Box 840 Artesia, New Mexico 88211-0840 (575) 748-4280

March 2, 2016

David Catanach, Director Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case 15437 Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

Sharbro Energy, LLC is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the well proposed by Caza. Sharbro supports Caza in this case, for the following reasons:

1. Sharbro's geologist and engineer believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.

2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.

3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.

4. The correlative rights of the interest owners in the NW/4 of Section 19 will be protected by a 160 acre standup well unit.

Very truly yours,

SHARBRO ENERGY. LI

Scott Yates Managing Member