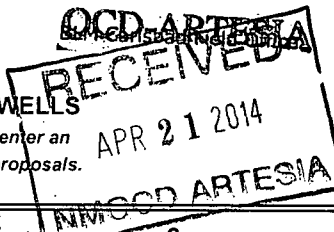


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.



5. Lease Serial No.
NM-58815, NM-62211

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other PA

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th St., Artesia, NM 88210

3b. Phone No. (include area code)

575-748-1471

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

1600' FSL & 330' FWL Sec. 31-T19S-R30E Unit L, NWSW Surface

1980' FSL & 330' FEL Sec. 31-T19S-R30E Unit I, NESE Bottom

7. If Unit or CA/Agreement, Name and/or No.

NM 94463 / NM 128994

8. Well Name and No.

Hanagan APL Federal Com #2H

9. API Well No.

30-015-39511

10. Field and Pool or Exploratory Area

Parkway; Bone Spring

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	pool/lease
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	commingle of gas

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Yates Petroleum respectfully requests approval to Surface Pool/lease commingle and off-lease measure gas only for the Hanagan #1 and Hanagan #2H.

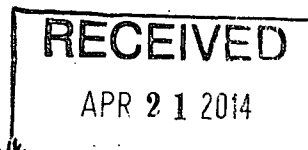
Please see attached plats and site security diagrams.

Ownership is diversified and all owners have been notified. A copy of the letter, a list of owners, and waivers are attached.

Continuation attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Miriam Morales

Title Production Analyst

Signature

Date

8/3/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title LPET

Date

8/15/12

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

Continuation on Surface pool/lease commingle gas only for the Hanagan #1 and Hanagan #2H

Federal Lease #NM-62211, CA #94463

<u>Well name</u>	<u>Pool (DHC)</u>	<u>MCFpd</u>	<u>BTU</u>
Hanagan APL Federal Com #1	HG; Morrow <i>NM 94463</i>	3	1177
Sec. 31-T19S-R30E	HG; Atoka <i>NM 94463</i>	31	
30-015-28635			
Eddy County, NM			

NM 62211
Federal lease #NM-58845 & CA # *NM 128994* not available at this time

<u>Well name</u>	<u>Pool</u>	<u>MCFpd</u>	<u>BTU</u>
Hanagan APL Federal Com #2H	Parkway; Bone Spring	257	1381
Sec. 31-T19S-R30E			
30-015-39511			
Eddy County, NM			

Gas Measurement

Yates is requesting alternate gas measurement using a subtraction method. The production/sales from the Hanagan #1 shall be the difference between the volume recorded at the DCP sales meter and the volume recorded at the Hanagan #2 EFM meter. The sales meter will be DCP meter #13431052, located at Sec. 30-T19S-R30E.

#37994

1315032

The purpose of the Off-lease, Surface pool/lease Commingle of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name <i>HACKBERRY MORROW</i>	
Property Code		Property Name HANAGAN "APL" FEDERAL Com.			Well Number 1
OGRID No. 025575		Operator Name YATES PETROLEUM CORPORATION			Elevation 3319

10 Surface Location

UL or lot no. G	Section 31	Township 19S	Range 30E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------

11 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. TO BE COMMUNITIZED
---------------------------	--------------------	-----------------------	------------------------------------

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

				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title 8-1-95 Date	
				18 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. 7/28/95 Date of Survey Signature HERSCHEL JONES 3640 Certificate Number	

DISTRICT I
4625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesa, NM 88210

DISTRICT III
1000 Rio Brazos Rd., 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-102
Revised July 16, 2010

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 30-015-39511	Pool Code 49622	Pool Name Parkway Bone Spring
Property Code 17558	Property Name HANAGAN "APL" FEDERAL COM	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3324'

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	31	19 S	30 E	3	1600	SOUTH	330	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
I	31	19 S	30 E		1980'	SOUTH	330	EAST	EDDY

Dedicated Acres 160.15928	Joint or Infill <input type="checkbox"/>	Consolidation Code 	Order No.
-------------------------------------	---	-------------------------------	----------------------

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 - N 32°36'50.76" Long - W 104°01'07.56" NMSPCE- N 587277.193 E 638196.401 (NAD-83)</p>	<p>BOTTOM HOLE LOCATION Lat - N 32°36'54.37" Long - W 104°00'13.77" NMSPCE- N 587662.84 E 642793.58 (NAD-83)</p>
<p>Project Area</p>	
<p>NM-62211</p>	
<p>Penetration Point 1640' FSL & 802' FWL</p>	
<p>Producing Zone</p>	
<p>3327.7' 3328.3' 330' 3323.9' 3321.2' 1600' 1880'</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 undleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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>Cy Cowan</i> 4/14/11 Signature Date</p> <p>Cy Cowan Printed Name</p> <p>cy@yatespetroleum.com Email Address</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>APR 14 2011 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal of Professional Surveyor 7977</p> <p>W.O. Jones Certificante No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 24387</p>	



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

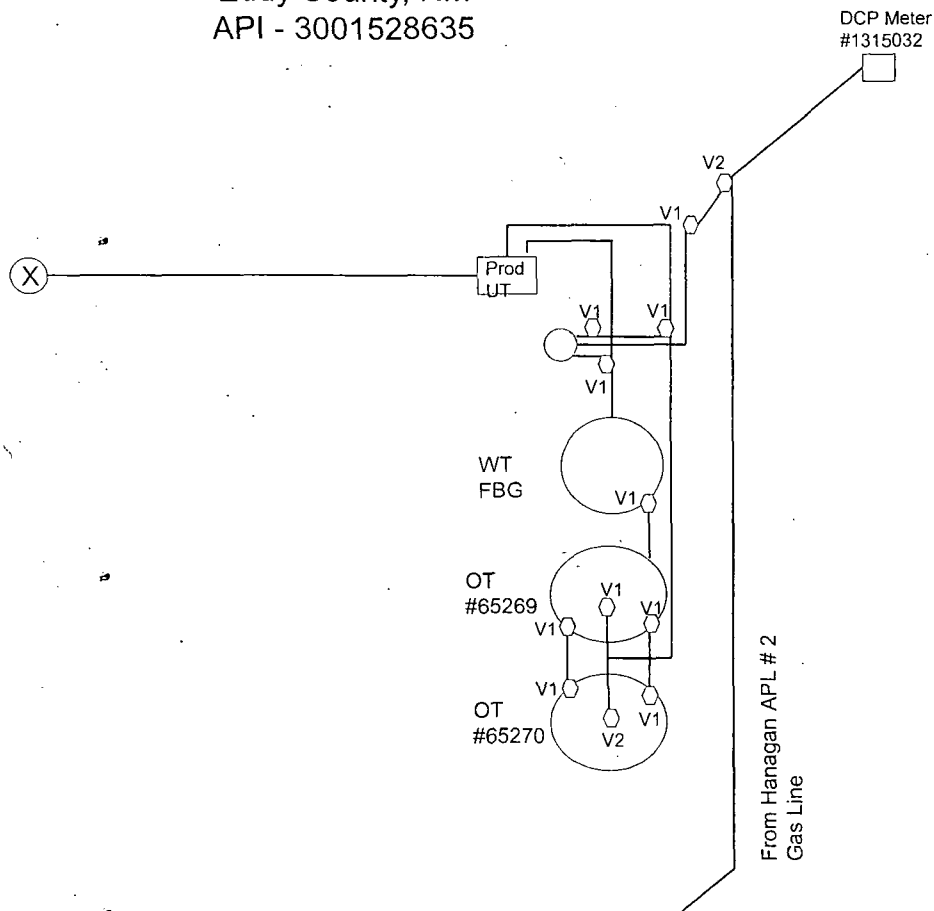
-Keith Hutchens
July, 2012

Hanagan APL Fed Com # 1

1980' FSL & 1980' FEL * Sec31 - T19S R30E * Unit G
Eddy County, NM
API - 3001528635

N↑

V1= Valve Closed
V2= Valve Opened



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
which is on file at 105 South 4th Street, Artesia, NM



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

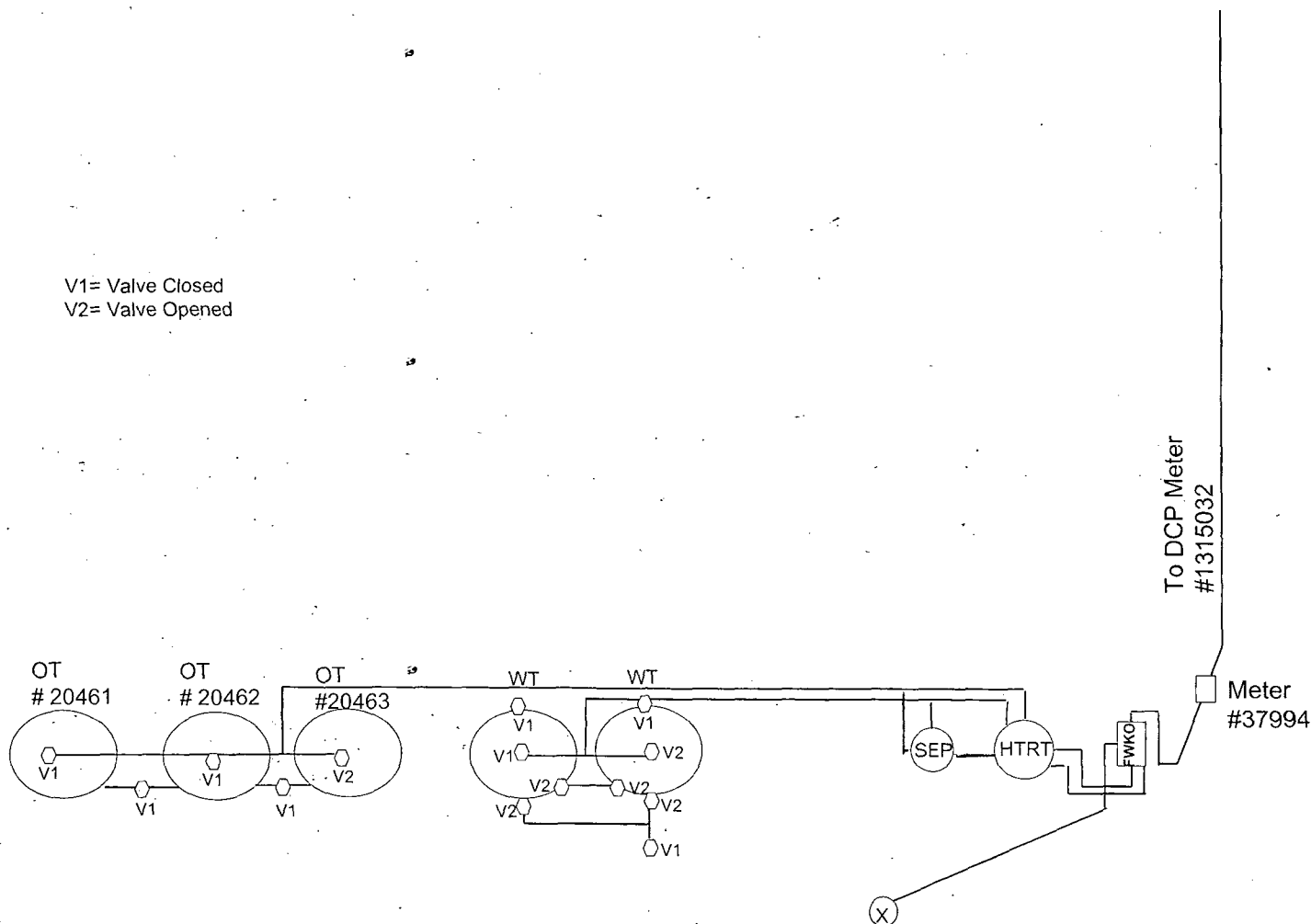
-Keith Hutchens
July, 2012

Hanagan APL Fed Com # 2

1600' FSL & 330' FWL * Sec31 - T19S R30E * Unit L
Eddy County, NM
API - 3001539511

N ↑

V1= Valve Closed
V2= Valve Opened



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
which is on file at 105 South 4th Street, Artesia, NM

025

030

NMNM 111959

NMLC 0062376

029

NMNM 085909

NMNM 062210

NMNM 089049

036

032

NMNM 062211

NMNM 058815

001

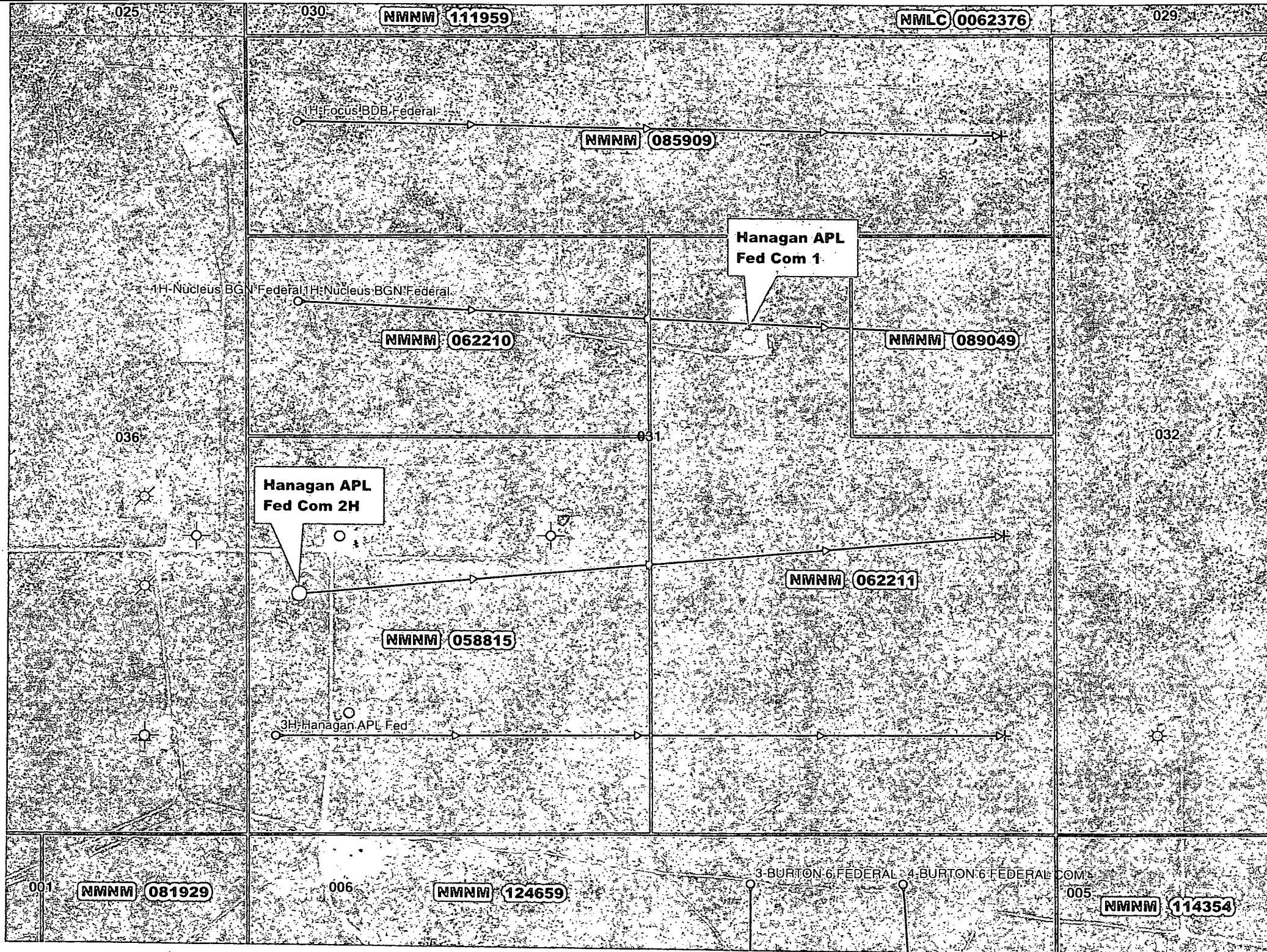
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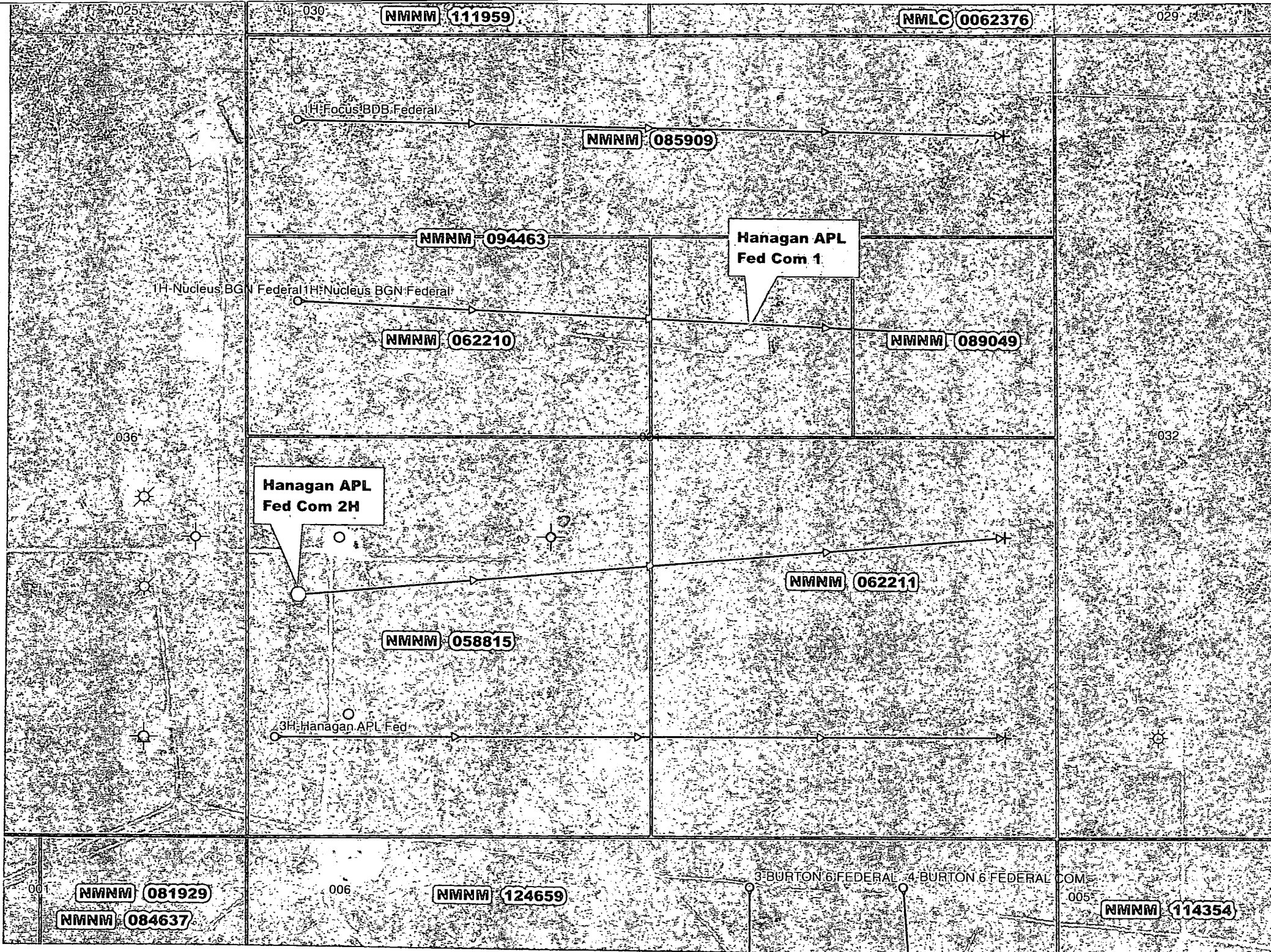
006

NMNM 124659

005

NMNM 114354





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

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA
CHIEF ADMINISTRATIVE OFFICER

August 2, 2012

RE: Surface Pool/Lease Commingle
Hanagan APL Federal Com #2H
Eddy County, NM

Dear interest owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and Oil Conservation Division to Surface Pool/lease commingle the Hanagan APL Federal Com #1 and Hanagan APL Federal Com #2H.

Ownership is diversified.

Federal Lease #NM-62211, CA #94463

<u>Well name</u>	<u>Pool (DHC)</u>	<u>MCFpd</u>	<u>BTU</u>
Hanagan APL Federal Com #1	HG; Morrow	3	1177
Sec. 31-T19S-R30E	HG; Atoka	31	
30-015-28635			
Eddy County, NM			

Federal lease #NM-58815 & CA # not available at this time

<u>Well name</u>	<u>Pool</u>	<u>MCFpd</u>	<u>BTU</u>
Hanagan APL Federal Com #2H	Parkway; Bone Spring	257	1381
Sec. 31-T19S-R30E			
30-015-39511			
Eddy County, NM			

Gas Measurement

Yates is requesting alternate gas measurement using a subtraction method. The production/sales from the Hanagan #1 shall be the difference between the volume recorded at the DCP sales meter and the volume recorded at the Hanagan #2H EFM meter. The sales meter will be DCP meter #13131052, located at Sec. 30-T19S-R30E.

1715032

#37994

The purpose of the Off-lease, Surface pool/lease Commingle of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the 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 should have any questions, please give me a call at (575) 748-4200 (direct line).

Sincerely,

Miriam Morales
Production Analyst

DAVID PETROLEUM CORP
116 W FIRST STREET
ROSWELL, NM 88203

NUEVO SEIS, LTD
PO BOX 2588
ROSWELL, NM 88202-2588

NADEL & GUSSMAN PERMIAN LLC
15 E 5TH STREET SUITE 3200
TULSA, OK 74103

FIRST ROSWELL COMPANY
PO BOX 1797
ROSWELL, NM 88202-1797

JOSE R PEREZ
PO BOX 3091
CORPUS CHRISTI, TX 78463

BETTY L HANAGAN RESIDUARY TRUST
P O BOX 1737
ROSWELL, NM 88202

BRIAN T GROOMS
PO BOX 2990
RUIDOSO, NM 88355-2990

MORRIS E SCHERTZ
PO BOX 2588
ROSWELL, NM 88202-2588

ORION INVESTMENTS, LLC
215 S. STATE STREET, SUITE 100
SALT LAKE CITY, UT 84111

HUGH E & MICHAEL G HANAGAN
C/O BETTY L HANAGAN RESIDUARY
TRUST
PO BOX 1737
ROSWELL, NM 88202-1737

CHALCAM EXPLORATION LLC
403 TIERRA BERRENDIA
ROSWELL, NM 88201

STEPHEN T. MITCHELL
6212 HOMESTEAD BLVD.
MIDLAND, TX 79707

NATALIE V HANAGAN
1922 N 18TH AVE W
WILLISTON, ND 58801-2553

WILLIAM B OWEN
116 W FIRST STREET
ROSWELL, NM 88203

MONICA ANN SOLIS
1908 W. RAY AVE
ARTESIA, NM 88210

HANAGAN PETROLEUM CORP
PO BOX 1737
ROSWELL, NM 88202-1737

HANAGAN PROPERTIES
PO BOX 1887
SANTA FE, NM 87504-1887

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

MADISON M HINKLE
PO BOX 2292
ROSWELL, NM 88202-2292

PERMIAN BASIN INVESTMENT CORP
C/O BANK OF THE SOUTHWEST
PO BOX 1638
ROSWELL, NM 88202-1638

OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE, NM 87505

ROLLA R III & ROSEMARY H HINKLE
PO BOX 2292
ROSWELL, NM 88202-2292

SCOTT EXPLORATION INC
PO BOX 1834
ROSWELL, NM 88202-1834

MYCO INDUSTRIES INC
P O BOX 840
ARTESIA, NEW MEXICO 88211

EDSEL B NEFF JR
403 TIERRA BERRENDIA
ROSWELL, NM 88201

INNOVENTIONS INC
PO BOX 40
CEDAR CREST, NM 87008

ABO PETROLEUM CORP
P O BOX 900
ARTESIA, NEW MEXICO

THOMAS R NICKOLOFF
PO BOX 51807
MIDLAND, TX 79710-1807

SOUTHWEST PETROLEUM LAND
SERVICES LLC
100 N PENNSYLVANIA
ROSWELL, NM 88203

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/15/12 07:34 AM

Page 1 of 1

01 02-26-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

318.540

NMNM-- - 094463

Commodity 410: NATURAL GAS LC

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 094463

Name & Address

Int Rel

%Interest

BLM ROSWELL FO	2909 W 2ND ST	ROSWELL NM 88201	OFFICE OF RECORD	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATOR	100.000000000

Serial Number: NMNM-- - 094463

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0300E 031		ALIQ		NE,E2NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 031		LOTS		1,2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 094463

Act Date	Code	Action	Action Remarks	Pending Office
07/31/1995	387	CASE ESTABLISHED		
07/31/1995	516	FORMATION	MRRW06;MORROW	
07/31/1995	516	FORMATION	STRN06;STRAWN	
07/31/1995	526	ACRES-FED INT 100%	318.54;100.00%	
07/31/1995	868	EFFECTIVE DATE	/A/	
08/28/1995	580	PROPOSAL RECEIVED	CA RECD	
08/29/1995	334	AGRMT APPROVED		
08/29/1995	974	AUTOMATED RECORD VERIF	MO/MO	
12/28/1995	654	AGRMT PRODUCING	NMNM62211;1 HANAGAN	
04/01/1996	516	FORMATION	/1/ ATOKA;ATOKA	

Line Nr

Serial Number: NMNM-- - 094463

Line Nr	Remarks
0002	/A/ RECAPITULATION EFFECTIVE 07/31/1995
0003	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0004	1 NMNM 62211 40.00 12.5573
0005	2 NMNM 89049 40.00 12.5573
0006	3 NMNM 85909 159.26 49.9969
0007	4 NMNM 62210 79.28 24.8986
0008	TOTAL 318.54 100.0000
0009	/1/ THE NO. 1 HANAGAN APL-FED COM WELL WAS COMPLETED
0010	IN THE MORROW/ATOKA FORMATIONS. SINCE THE COMM
0011	AGREEMENT COVERED ONLY THE MORROW AND STRAWN FORMA-
0012	TIONS, THE AGREEMENT WAS AMENDED 04/01/96 TO INCLUDE
0013	THE ATOKA FORMATION.

Royalty Rate All 12.5%.

BUREAU OF LAND MANAGEMENT

CASE RECORDATION

(LIVE) SERIAL REGISTER PAGE

Page 1 of 1

Run Date/Time: 04/15/14 08:40 AM

01 02-25-1920;041STAT0437;30USC181

Total Acres
159.280

Serial Number
NMNM-- - 128994

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 410: NATURAL GAS LC

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 128994

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATOR	100.000000000

Serial Number: NMNM-- - 128994

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0190S	0300E	031	ALIQ	NESW,N2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGM
23	0190S	0330E	031	LOTS	3;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGM

Serial Number: NMNM-- - 128994

Act Date	Code	Action	Action Remarks	Pending Office
03/01/2012	387	CASE ESTABLISHED	HANAGAN APL FED COM 2	
03/01/2012	516	FORMATION	BONE SPRING	
03/01/2012	526	ACRES-FED INT 100%	159.28 ACRES/100%	
03/01/2012	868	EFFECTIVE DATE		
06/10/2012	654	AGRMT PRODUCING		
08/24/2012	334	AGRMT APPROVED		

Serial Number: NMNM-- - 128994

Line Nr	Remarks			
0001	RECAPITULATION EFFECTIVE 03/01/2012			
0002	TR# LEASE SERIAL#	AC COMMITTED	%INTEREST	
0003	1 NM-62211 ✓	80.00	50.2260	} Royalty RATE All 12.5%
0004	2 NM-58815 ✓	79.28	49.7740	
0005	TOTAL	159.28	100.0000	

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/15/12 07:29 AM

Page 1 of 2

01 02-26-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

200.000

NMNM-- - 062211

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 062211

Name & Address			Int Rel	%Interest
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
DAVID PETROLEUM CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
MCMILLAN COLIN R	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
PERMIAN EXPL CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	100.000000000

Serial Number: NMNM-- - 062211

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency	
23	0190S	0300E	031	ALIQ	SWNE,SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 062211

Act Date	Code	Action	Action Remarks	Pending Office
04/04/1985	387	CASE ESTABLISHED	SPAR494;	
04/05/1985	888	DRAWING HELD		
08/01/1985	237	LEASE ISSUED		
08/12/1985	600	RECORDS NOTED		
08/16/1985	963	CASE MICROFILMED	CNUM 553,374 AC	
09/01/1985	496	FUND CODE	05;145003	
09/01/1985	530	RLTY RATE - 12 1/2%		
09/01/1985	868	EFFECTIVE DATE		
06/16/1986	111	RENTAL RECEIVED	\$0;86-87	
06/25/1987	111	RENTAL RECEIVED	\$0;87-88	
04/21/1988	974	AUTOMATED RECORD VERIF	MRS/CB	
07/22/1988	111	RENTAL RECEIVED	\$200.00;1YR/88-89	
07/17/1989	111	RENTAL RECEIVED	\$200.00;1YR/89-90	
09/07/1989	140	ASGN FILED	HANAGAN/HANAGAN PETRO	
10/03/1989	139	ASGN APPROVED	EFF 10/01/89;	
10/03/1989	974	AUTOMATED RECORD VERIF	MCS/MT	
10/30/1989	575	APD FILED	FRED POOL DRILLING CJ	
11/17/1989	576	APD APPROVED	HANAGAN FED NO 1	
07/10/1990	111	RENTAL RECEIVED	\$200.00;21/18300	
09/04/1990	932	TRF OPER RGTS FILED	HANAGAN/YATES ET AL	
11/26/1990	933	TRF OPER RGTS APPROVED	EFF 10/01/90;	

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**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/15/12 07:38 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres

Serial Number

Case Type: 312021: O&G LSE COMP PD -1987

40.000

NMNM-- - 089049

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 089049

Name & Address			Int Rel	%Interest
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	16.666700000
DAVID PETROLEUM CORP	116 W 1ST ST	ROSWELL NM 88201	LESSEE	10.937500000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	LESSEE	9.375000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	LESSEE	16.666600000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 77227570	LESSEE	16.666700000
PERMIAN EXPL CORP	116 W 1ST ST	ROSWELL NM 88201	LESSEE	4.687500000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	25.000000000

Serial Number: NMNM-- - 089049

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0300E 031		ALIQ		SENE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 089049

Act Date	Code	Action	Action Remarks	Pending Office
04/21/1992	387	CASE ESTABLISHED	9204079	
04/22/1992	191	SALE HELD		
04/22/1992	267	BID RECEIVED	\$47000.00;	
04/22/1992	392	MONIES RECEIVED	\$47000.00;	
05/18/1992	237	LEASE ISSUED		
05/18/1992	974	AUTOMATED RECORD VERIF	AR/LBO	
06/01/1992	496	FUND CODE	05;145003	
06/01/1992	530	RLTY RATE - 12 1/2%		
06/01/1992	868	EFFECTIVE DATE		
07/07/1992	600	RECORDS NOTED		
10/07/1992	140	ASGN FILED	YATES ETAL/YATES ETAL	
02/03/1993	139	ASGN APPROVED	EFF 11/01/92;	
02/03/1993	974	AUTOMATED RECORD VERIF	SSP/JS	
04/01/1993	963	CASE MICROFILMED	CNUM 569,361 JS	
04/09/1993	111	RENTAL RECEIVED	\$60.00;21/45628	
01/04/1994	140	ASGN FILED	MCMILLAN/K&C PROD	
03/07/1994	139	ASGN APPROVED	EFF 02/01/94;	
03/07/1994	974	AUTOMATED RECORD VERIF	BCO/KRP	
04/11/1994	111	RENTAL RECEIVED	\$60.00;21/52499	
04/13/1995	084	RENTAL RECEIVED BY MMS	\$60.00;21/0000000588	
07/31/1995	246	LEASE COMMITTED TO CA	NMNM94463;	
07/31/1995	660	MEMO OF 1ST PROD-ALLOC	/1/	
12/28/1995	651	HELD BY PROD - ALLOCATED	NMNM94463;	

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**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

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Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SEQ

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

159.260

NMNM-- - 085909

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 085909

Name & Address	Int Rel	%Interest
ABO PETRO CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 16.666600000
DAVID PETROLEUM CORP 116 W 1ST ST	ROSWELL NM 88201	LESSEE 10.937500000
K & C PRODUCTION CO 118 W 1ST ST	ROSWELL NM 88201	LESSEE 9.375000000
MYCO INDUSTRIES INC 105 S 4TH ST	ARTESIA NM 88210	LESSEE 16.666700000
OXY Y-1 COMPANY PO BOX 27570	HOUSTON TX 772277570	LESSEE 16.666700000
PERMIAN EXPL CORP 116 W 1ST ST	ROSWELL NM 88201	LESSEE 4.687500000
YATES PETRO CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 25.000000000

Serial Number: NMNM-- - 085909

Mer Twp Rng	Sec	SType	Nr SUFF	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0300E 031		ALIQ		N2NE,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 031		LOTS	1;		CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 085909

Act Date	Code	Action	Action Remarks	Pending Office
10/16/1990	387	CASE ESTABLISHED	9010122	
10/17/1990	191	SALE HELD		
10/17/1990	267	BID RECEIVED	\$184000.00;	
10/17/1990	392	MONIES RECEIVED	\$184000.00;	
12/11/1990	237	LEASE ISSUED		
01/01/1991	496	FUND CODE	05;145003	
01/01/1991	530	RLTY RATE - 12 1/2%		
01/01/1991	868	EFFECTIVE DATE		
01/10/1991	111	RENTAL RECEIVED	\$240.00;21/0176709623	
01/25/1991	600	RECORDS NOTED		
02/12/1991	899	TRF OF ORR FILED		
04/16/1991	974	AUTOMATED RECORD VERIF	LR/SSP	
11/15/1991	111	RENTAL RECEIVED	\$240.00;21/35160	
11/12/1993	111	RENTAL RECEIVED	\$240.00;21/49684	
01/04/1994	140	ASGN FILED	MCMILLAN/K&C PROD	
03/07/1994	139	ASGN APPROVED	EPF 02/01/94;	
03/07/1994	974	AUTOMATED RECORD VERIF	BCO/KRP	
11/14/1994	111	RENTAL RECEIVED	\$240.00;21/0000000562	
07/31/1995	246	LEASE COMMITTED TO CA	NMNM94463;	
07/31/1995	660	MEMO OF 1ST PROD-ALLOC	/1/	
12/28/1995	651	HELD BY PROD - ALLOCATED	NMNM94463;	
04/04/1996	643	PRODUCTION DETERMINATION	/1/ NMNM94463;	
05/12/2011	940	NAME CHANGE RECOGNIZED	YATES DRL CO/OXY Y-1	

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**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/15/12 07:40 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

79.280

NMNM-- - 062210

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 062210

Name & Address			Int Rel	%Interest
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
DAVID PETROLEUM CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
MCMILLAN COLIN R	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
NADEL & GUSSMAN PERMIAN LLC	601 N MARIENFELD #508	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
NADEL & GUSSMAN PERMIAN LLC	601 N MARIENFELD #508	MIDLAND TX 79701	LESSEE	100.000000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
PERMIAN EXPL CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 062210

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0300E 031		ALIQ		SENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 031		LOTS		2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 062210

Act Date	Code	Action	Action Remarks	Pending Office
04/04/1985	387	CASE ESTABLISHED	SPAR493;	
04/05/1985	888	DRAWING HELD		
08/01/1985	237	LEASE ISSUED		
08/19/1985	600	RECORDS NOTED		
08/21/1985	963	CASE MICROFILMED	CNUM 553,468	
09/01/1985	496	FUND CODE	05;145003	
09/01/1985	530	RLTY RATE - 12 1/2%		
09/01/1985	868	EFFECTIVE DATE		
04/07/1986	140	ASGN FILED	PEREZ/RONADERO	
06/12/1986	139	ASGN APPROVED	EFF 05/01/86;	
07/09/1986	111	RENTAL RECEIVED	\$0;86-87	
07/09/1987	111	RENTAL RECEIVED	\$0;87-88	
04/21/1988	974	AUTOMATED RECORD VERIF	MRS/LR	
07/11/1988	111	RENTAL RECEIVED	\$80.00;1YR/88-89	
08/21/1989	111	RENTAL RECEIVED	\$80.00;1YR/89-90	
04/23/1990	575	APD FILED	FRED POOL DRILLING CJ	
05/10/1990	576	APD APPROVED	RONADERO FED NO 3	
06/04/1990	111	RENTAL RECEIVED	\$80.00;21/7885	
09/04/1990	932	TRF OPER RGTS FILED	RONADERO/YATES ET AL	
11/26/1990	933	TRF OPER RGTS APPROVED	EFF 10/01/90;	
11/26/1990	974	AUTOMATED RECORD VERIF	GLC/MT	

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**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/15/12 07:30 AM

Page 1 of 4

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

396.130

NMNM-- - 058815

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMNM-- - 058815

Name & Address			Int Rel	%Interest
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE, ONE CONCHO CENTER	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
DAVID PETROLEUM CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
EASTLAND OIL CO	PO BOX 3488	MIDLAND TX 797023488	OPERATING RIGHTS	0.000000000
ELK OIL CO	PO BOX 310	ROSWELL NM 882020310	OPERATING RIGHTS	0.000000000
INNOVENTIONS INC	214 W 3RD ST	ROSWELL NM 882014624	OPERATING RIGHTS	0.000000000
INNOVENTIONS INC	PO BOX 40	CEDAR CREST NM 870080040	OPERATING RIGHTS	0.000000000
K & C PRODUCTION CO	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
KELLY JOSEPH J	PO BOX 310	ROSWELL NM 882020310	OPERATING RIGHTS	0.000000000
MCMILLAN COLIN R	118 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
NADEL & GUSSMAN PERMIAN LLC	601 N MARIENFELD #508	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
NADEL & GUSSMAN PERMIAN LLC	601 N MARIENFELD #508	MIDLAND TX 79701	LESSEE	100.000000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
PENTA PETROLEUM CO	PO BOX 1393	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
PERMIAN EXPL CORP	116 W 1ST ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
POOL FRED III	PO BOX 2837	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
SCOTT EXPL INC	214 W 3RD ST	ROSWELL NM 882014624	OPERATING RIGHTS	0.000000000
SLASH EXPLORATION LP	PO BOX 1973	ROSWELL NM 882021973	OPERATING RIGHTS	0.000000000
SW PETRO LAND SERVICES LLC	100 N PENNSYLVANIA AVE	ROSWELL NM 882034620	OPERATING RIGHTS	0.000000000
VERDE VISTA ENE CO	BOX 310	ROSWELL NM 882020310	OPERATING RIGHTS	0.000000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 058815

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0300E 019		ALIQ		E2NW,NESW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 019		LOTS		1,2,3;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 031		ALIQ		E2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0300E 031		LOTS		3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 058815

Act Date	Code	Action	Action Remarks	Pending Office
05/09/1984	387	CASE ESTABLISHED	SPAR254;	
05/10/1984	888	DRAWING HELD		
08/08/1984	237	LEASE ISSUED		
08/16/1984	600	RECORDS NOTED		
09/01/1984	496	FUND CODE	05;145003	
09/01/1984	530	RLTY RATE - 12 1/2%		
09/01/1984	868	EFFECTIVE DATE		
09/01/1984	909	BOND ACCEPTED	EFF 09/29/70;NM0142	
06/05/1985	963	CASE MICROFILMED	CNUM 552,684 AC	

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PURPOSES NOT INTENDED BY BLM

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Hanagan APL Federal Com 1 and Hanagan APL Federal-Com 2H
Yates Petroleum Corporation
August 15, 2012

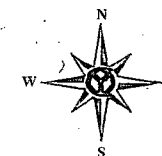
**Condition of Approval
Commingle on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

The public's interest in these leases/CAs and their pools has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each well will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.



105 SOUTH FOURTH (575) 748-1471
ARTESIA, NEW MEXICO 88210



LEGEND

- GAS WELL
- OIL WELL
- GPS ROADS
- GAS LINE YATES

TOWNSHIP AND RANGE
T19S R30E
SECTION 31 FOOTAGE

NM STATE

US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-17-12

COUNTY: EDDY

STATE: NEW MEXICO

SHEET NUMBER: 1 OF 1

SCALE: 1" = 1/4 MILE

THIS MAP HAS BEEN CAREFULLY
COMPILED AND PRINTED BY YATES
PETROLEUM CORPORATION FROM
AVAILABLE INFORMATION. YATES
PETROLEUM CORPORATION DOES NOT
GUARANTEE THE ACCURACY OF THIS
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FROM YATES PETROLEUM
CORPORATION OR ITS AFFILIATES.

TITLE:

HANAGAN



4" A/G ROLY

31



HANAGAN
APL #2H

36

3

2 TRACK

2 TRACK

1

6