

OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

HOBBS OCD

SEP 21 2015

5. Lease Serial No.
NNNM0557142

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NDDUP UNIT 61

9. API Well No.
30-015-26770-00-S1

10. Field and Pool, or Exploratory
N SEVEN RIVERS-GLOR-YESO

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: MIRIAM MORALES
Mail: mmorales@yatespetroleum.com

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 20 T19S R25E SWNW 1980FNL 660FWL

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 Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Filing of application due to diversified ownership (WI/OR) All wells on same lease-BLM notification only.

Yates Petroleum respectfully requests approval to amend CTB-696 oil production only by adding the Ross EG Federal#4 to the application.

The commingle production will be measured and sold at the Ross EG battery located at NWNW, Sec. 20-T19S-R25E.

All owners will be notified (see attach).

Please see site facility diagram and all other documentation attach.

Accepted for record
CRO NMOCD 9/24/15

NM OIL CONSERVATION
ARTESIA DISTRICT
SEP 24 2015

RECEIVED

All wells on THE SAME LEASE. Approved as per NMOCD Requirements for diverse ownership ad

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

Electronic Submission #251992 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/12/2015 (15CQ0270SE)

Name (Printed/Typed) MIRIAM MORALES Title PRODUCTION ANALYST

Signature (Electronic Submission) Date 07/08/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *J. D. W. [Signature]* Title LPET Date 9/15/15

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.

** BLM REVISED **

Continuation of Ross EG #4 surface/lease Commingle oil only

Federal Lease #NM-0557142

<u>Well name</u>	<u>Pool #97565</u>	<u>BOPD</u>	<u>Gravity</u>
Ross EG Federal #3 Sec. 20-T19S-R25E, NWNW API #30-015-25903 Eddy County, NM	Glorieta-Yeso	8	38
Ross EG Federal #8 Sec. 20-T19S-R25E, NWSW API #30-015-26948 Eddy County, NM	Glorieta-Yeso	3	36
Ross EG Federal #4 Sec. 20-T19S-R25E, SWNW API #30-015-26770 Eddy County, NM	Glorieta-Yeso	17	38.2

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Ross EG Federal #3. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in this application.

Gas Measurement

Each of the wells will have its own meter.

The purpose of the Surface/lease Commingle of production 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

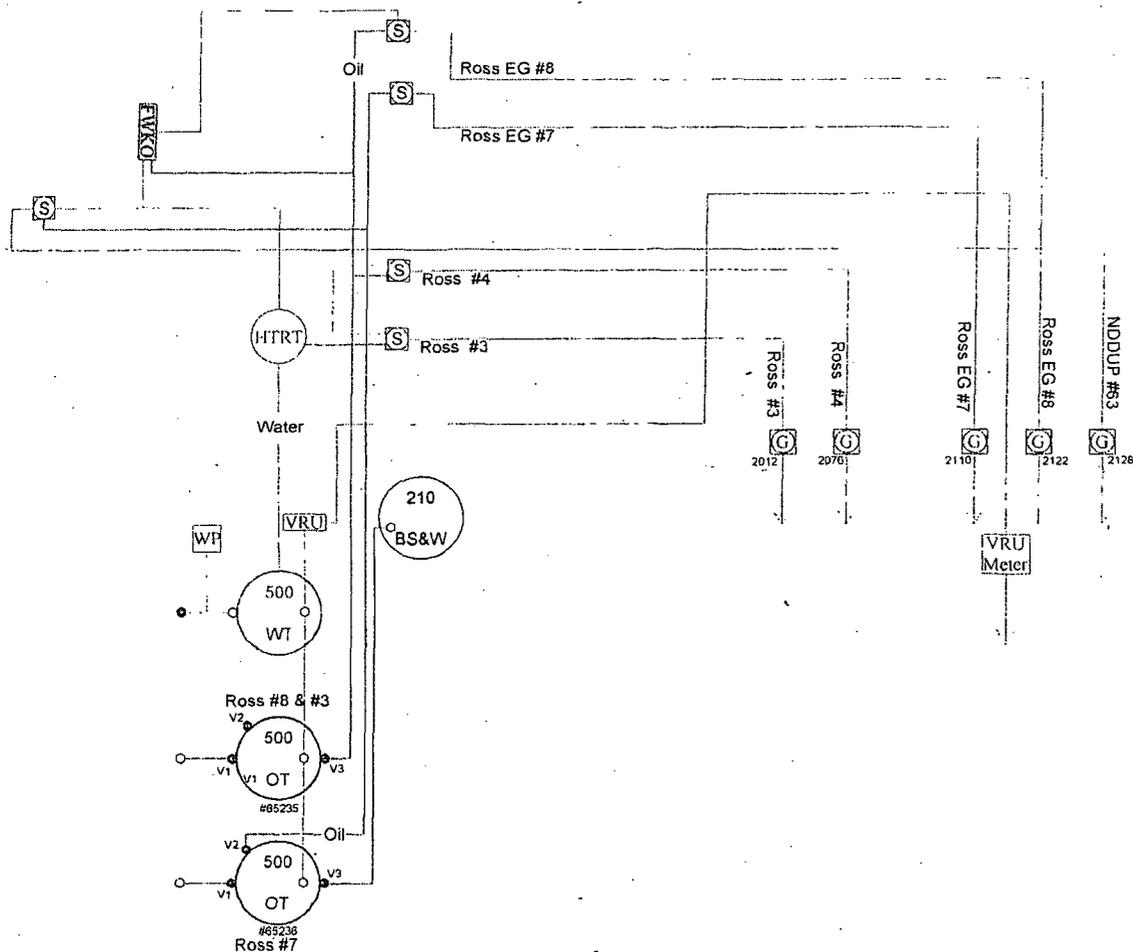
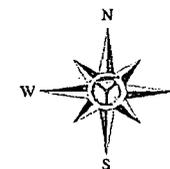


105 South 4th Street * Artesia, NM 88210
(575) 746-1471

-Michael Farmer
-May, 2014

Ross EG Federal Battery

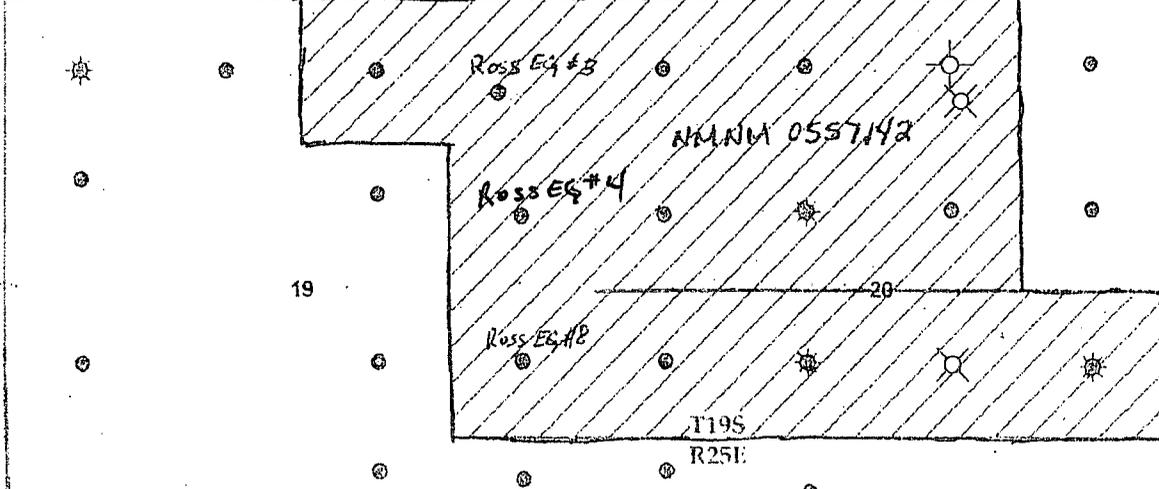
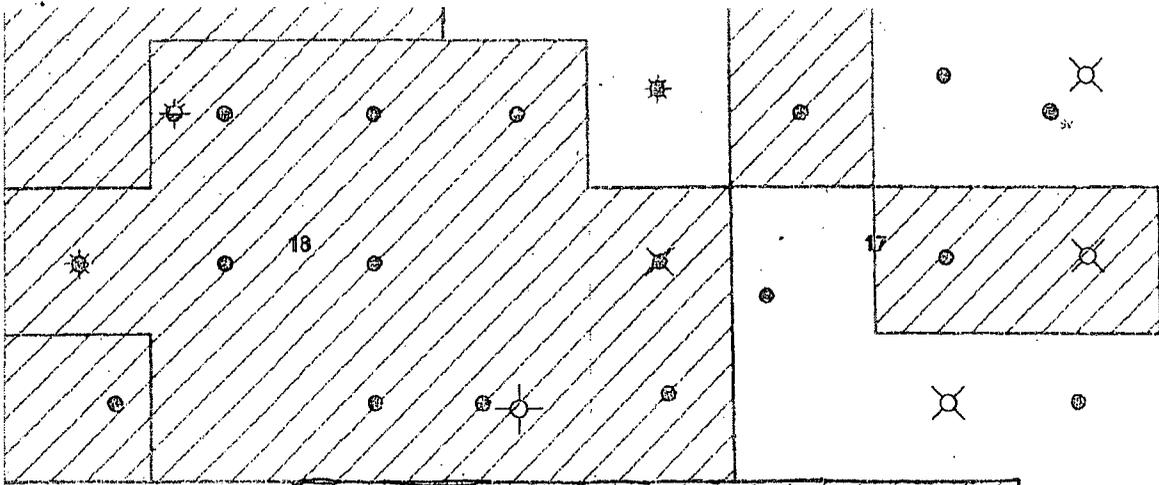
660' FNL & 660' FWL * Sec 20 - T19S-R25E* Unit D
Eddy County, NM
API - 3001525903



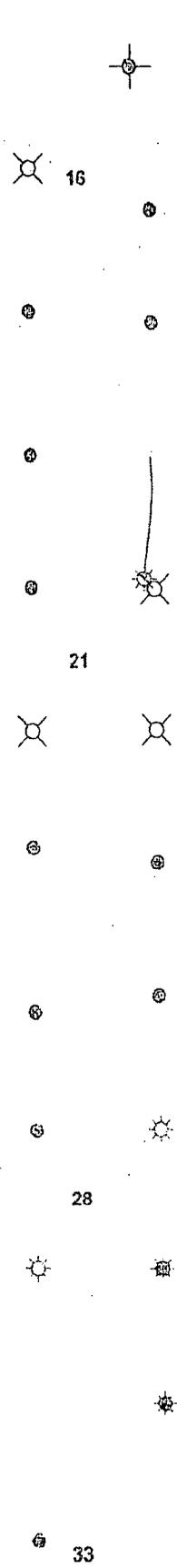
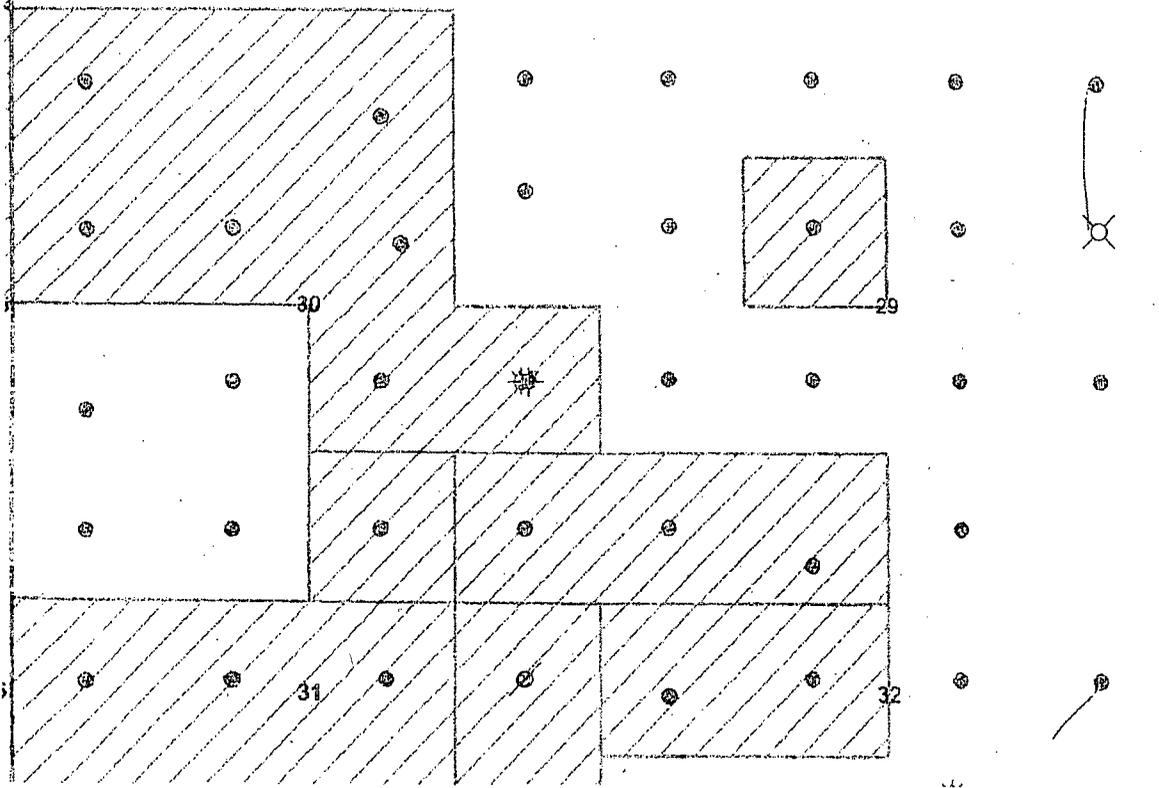
Sales: From Tank Gauge to Truck Tank Tank
Valve Position for sales Tank #65235
(Ross EG #8) or #65236 (Ross EG #7)
1. V1 = open
V3 = Sealed Closed
Valve Position-Production phase Tank #65235
(Ross EG #8) or 65236 (Ross EG #7)
1. V1 = Sealed closed
V3 = Sealed closed
2. V2 = open

- = Valve Closed
- = Valve Opened
- VRU = Vapor Recovery Unit
- WP = Water Pump
- G = Gas Meter
- FWKO = Free Water Knock Out
- S = Separator
- HTRT = Heater/Treater
- 210 BS&W = Bottom Sediment & Water (Slop Tank)

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

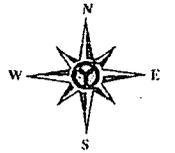


19S
241





105 SOUTH FOURTH (575) 748-4471
ARTESIA, NEW MEXICO 88210

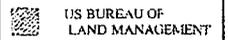


LEGEND

- OIL WELL PROPOSED
- ☀ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE	
T19S R25E	
SECTION	FOOTAGE

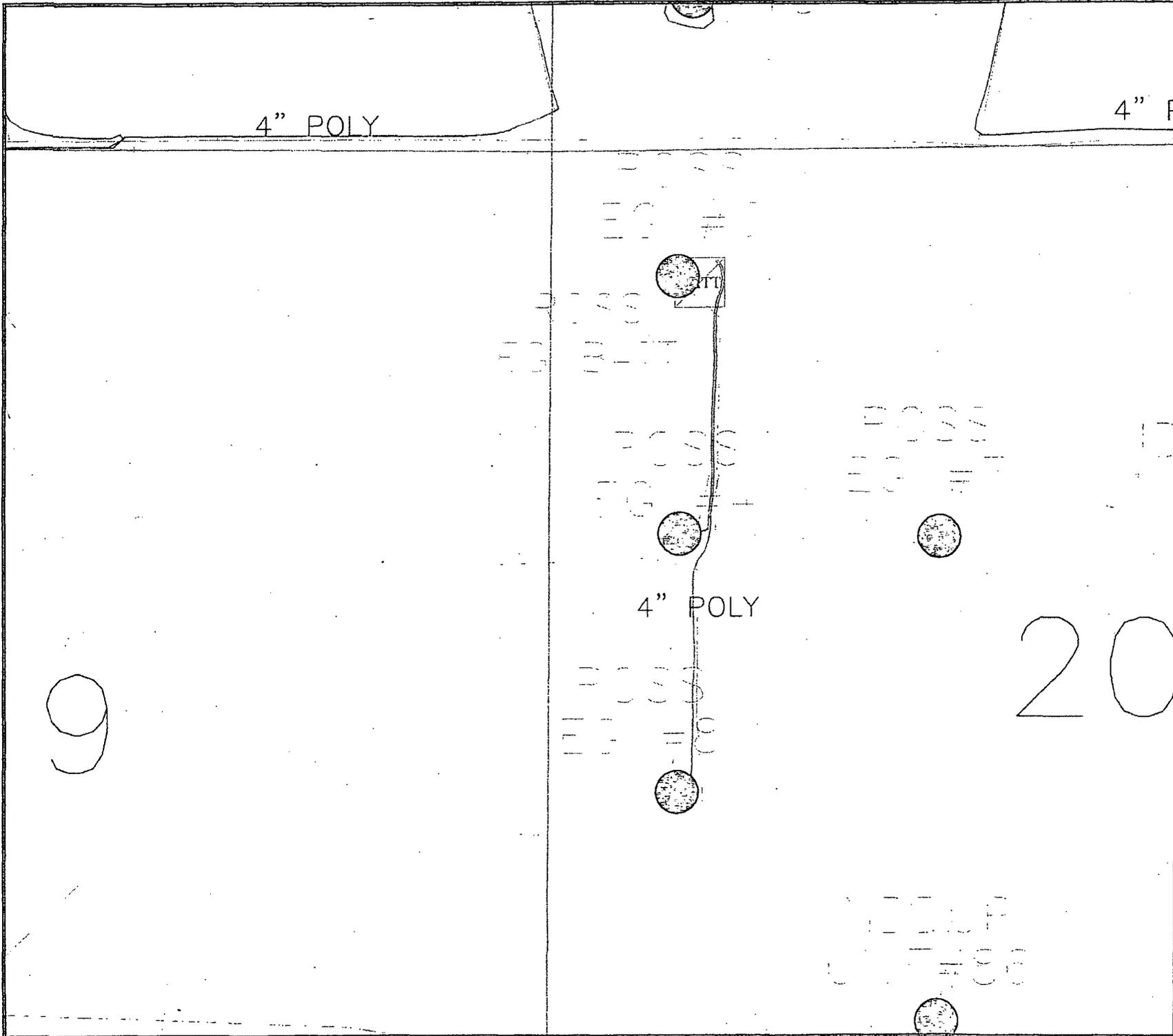
NM STATE



DRAWN BY: JAH
DATE DRAWN: 07-01-14
COUNTY: EDDY
STATE: NEW MEXICO
SHEET NUMBER: 1 OF 1
SCALE: 1" = 1/8 MILE

TITLE:

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 MAP OR INFORMATION DELINEATED THEREON. NOR DOES YATES PETROLEUM CORPORATION ASSUME RESPONSIBILITY FOR ANY RELIANCE THEREON. RECIPIENT AGREES NOT TO COPY, DISTRIBUTE OR DIGITIZE THIS MAP WITHOUT EXPRESS CONSENT FROM YATES PETROLEUM CORPORATION OR ITS AFFILIATES.



9

20

MARTIN YATES, III
1912-1985
FRANK W. YATES
1936-1986
S.P. YATES
1914-2008



JOHN A. YATES
CHAIRMAN EMERITUS
JOHN A. YATES JR.
CHAIRMAN OF THE BOARD
PRESIDENT
JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER
JAMES S. BROWN
CHIEF OPERATING OFFICER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

RE: Amend Surface lease commingle oil only
Ross EG Fed # 4
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding the Ross EG Federal #4.

The commingle production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-0557142

<u>Well name</u>	<u>Pool #97565</u>	<u>BOPD</u>	<u>Gravity</u>
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Ross EG Federal #4 Sec. 20-T19S-R25E, SWNW API #30-015-26770 Eddy County, NM	Glorieta-Yeso	17	38.2

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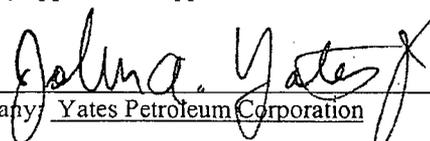
Gas Measurement

Each well will have its own meter.

The purpose of the Surface Lease Commingle of production 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

If you have any questions, please call me at (575) 748-4200 (direct line)

I hereby approve this application


Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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Ross EG Fed #4
Eddy County, New Mexico

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Company: Abo Petroleum Corporation

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TELEPHONE (575) 748-1471

www.yatespetroleum.com

RE: Amend Surface lease commingle oil only
Ross EG Fed # 4
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding the Ross EG Federal #4.

The commingle production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

Federal Lease #NM-0557142

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I hereby approve this application


Company: Myco Industries, Inc

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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105 SOUTH FOURTH STREET
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TELEPHONE (575) 748-1471

www.yatespetroleum.com

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Ross EG Fed # 4
Eddy County, New Mexico

Dear Interest Owner,

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I hereby approve this application


Company: Sharbro Energy, LLC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985
FRANK W. YATES
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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471
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Eddy County, New Mexico

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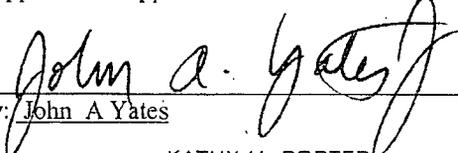
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I hereby approve this application


Company: John A Yates

KATHY H. PORTER
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105 SOUTH FOURTH STREET
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TELEPHONE (575) 748-1471
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RE: Amend Surface lease commingle oil only
Ross EG Fed # 4
Eddy County, New Mexico

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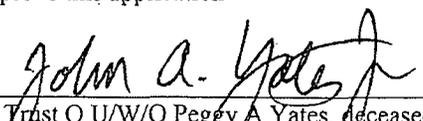
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I hereby approve this application


Company: Trust O U/W/O Peggy A Yates, deceased

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985
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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471
www.yatespetroleum.com

July 8, 2014
RE: Surface lease commingle oil only
Ross EG Fed #4
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from the Oil Conservation Division to amend CTB-696 oil only by adding the Ross EG Federal #4.

The commingle production will be measured and sold at the Ross EG tank battery facilities located at NWNW, Sec. 20-T19S-R25E.

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Ross EG Federal #4 Sec. 20-T19S-R25E, SWNW API # 30-015-26770 Eddy County, NM	Glorieta-Yeso	17	38.2

Oil Measurement

Each of the wells will be equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Ross EG Fed #3. Total sales/production will be allocated back to each individual well using the metered (daily well tests) volumes. Metered volumes will be compared to total battery volumes daily and monthly for accuracy. Any vapor recovery gas shall be included in for this application.

Gas Measurement

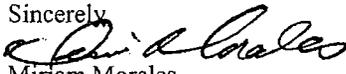
Each well will have its own meter.

The purpose of the Surface Lease Commingle of production 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 existing batteries on adjacent leases, it will become necessary to build separate facilities for each well.

Any objections must be filed in writing with the OCD in Santa Fe within 20 days from the date the division received the application. Application will be sent in conjunction with notification to owners.

If you have any questions, please call me at (575) 748-4200 (direct line)

Sincerely,


Miriam Morales
Production Analyst

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

ROBERT B BUNN 7013 2250 0000 5201 2105
REV. LIVING TRUST
2493 MAKIKI HEIGHTS DR
HONOLULU HI 96822-2547

MELANIE COLL DETEMPE 7013 2250 0000 5201 2112
5653 TOBIAS AVE
VAN NUYS CA 91411

FRANCES B BUNN 7013 2250 0000 5201 2129
REV. LIVING TRUST
2493 MAKIKI HEIGHTS DR
HONOLULU HI 96822-2547

JUDSON PROPERTIES, LTD 7013 2250 0000 5201 2136
P O BOX 3340
MIDLAND TX 79702

CLARKE C COLL 7013 2250 0000 5201 2143
P O BOX 1818
ROSWELL NM 88202-1818

KOCHERGEN ENTERPRISES 7013 2250 0000 5201 2150
8163 W MCKINLEY AVE
FRESNO CA 93722

ERIC J COLL 7013 2250 0000 5201 2167
P O BOX 1818
ROSWELL NM 88202-1818

LAJ CORPORATION 7013 2250 0000 5201 2174
P O BOX 10626
MIDLAND TX 79702-7626

CHARLES H COLL 7013 2250 0000 5201 2181
P O BOX 1818
ROSWELL NM 88202-1818

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

STEPHEN E LAUCK P O BOX 2638 DANVILLE CA 94526	7013 2250 0000 5201 2198
SALLY RODGERS COLL 152 B ARROYO HONDO RD SANTA FE NM 87508	7013 2250 0000 5201 2204
MARSHALL & WINSTON INC P O BOX 50880 MIDLAND TX 79710-0880	7013 2250 0000 5201 2211
JON F COLL P O BOX 1818 ROSWELL NM 88202-1818	7013 2250 0000 5201 2228
KAREN V & WILLIAM H MARTIN ENERGY, LTD 400 N MARIENFELD SUITE 100 MIDLAND TX 79701-4310	7013 2250 0000 5201 2235
JON F COLL II 7335 WALLA WALLA DR SAN ANTONIO TX 78250-5242	7013 2250 0000 5201 2242
PANHANDLE OIL & GAS INC 5400 N GRAND BLVD SUITE 300 OKLAHOMA CITY OK 73112-5672	7013 2250 0000 5201 2259
MAX W COLL II 83 LA BARBARIA TRAIL SANTA FE, NM 87505-9008	7013 2250 0000 5201 2266
MAX W COLL III 7625 EL CENTRO BLVD #2 LAS CRUCES NM 88012-9323	7013 2250 0000 5201 2273

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

YATES INDUSTRIES LLC
P O BOX 1091
ARTESIA NM 88211-1091

7013 2250 0000 5201 2280

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

7013 2250 0000 5201 2297

OIL CONSERVATION DIVISION
1220 S ST. FRANCIS DRIVE
SANTA FE NM 87505

7013 2250 0000 5201 2303

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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 or SLO
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

[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.

Miriam Morales _____ Production Analyst _____ 7/8/14
 Print or Type Name Signature Title Date
 mmorales@yatespetroleum.com
 e-mail Address

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 Fourth St. Artesia, NM 88210
APPLICATION TYPE:

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

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. CTB-696
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

Table with 5 columns: (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. N. Seven Rivers; Glorieta-Yeso #97565
(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 attached 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

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) 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: Miriam Morales TITLE: Production Analyst DATE: 2/18/14

TYPE OR PRINT NAME: Miriam Morales TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com