

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM81952
2. Name of Operator YATES PETROLEUM CORPORATION Contact: MIRIAM MORALES E-Mail: mmorales@yatespetroleum.com		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4200	7. If Unit or CA/Agreement, Name and/or No. NMNM129331
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		8. Well Name and No. Multiple--See Attached
		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory CABIN LAKE CABIN LAKE DELAWARE
		11. County or Parish, and State EDDY COUNTY, NM

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.)

Yates Petroleum respectfully requests approval to amend CTB-642 previously approved for oil only. Yates will also like to commingle the gas production for the Llama ALL Federal #1,4,5,9H and 10H.

The commingle production will be measured and sold at the Llama ALL Fed. #1 battery located at SWSW, Sec. 7-T22S-R31E.

All owners will be notified (see attach).

Ownership between the #1,4,5 and 10H is identical; however the #9H has diversified ownership.

Please see site facility diagram and all other documentation attach.

NM OIL CONSERVATION
ARTESIA DISTRICT**MAR 29 2016****RECEIVED**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #252023 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 (15CQ0271SE)	
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 <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>03/23/2016</u>
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 <u>Carlsbad</u> ✓

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

107

Additional data for EC transaction #252023 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM129331	NMNM81952	LLAMA ALL FEDERAL COM 9H	30-015-37189-00-S1	Sec 7 T22S R31E Lot 4 330FSL 430FWL
NMNM81952	NMNM81952	LLAMA ALL FED 1	30-015-28093-00-S4	Sec 7 T22S R31E SWSW 330FSL 950FWL
NMNM81952	NMNM81952	LLAMA ALL FED 4	30-015-34297-00-S1	Sec 7 T22S R31E SESW 330FSL 1650FWL
NMNM81952	NMNM81952	LLAMA ALL FEDERAL 10H	30-015-37190-00-S1	Sec 7 T22S R31E SESW 330FSL 1980FWL
NMNM81952	NMNM81952	LLAMA ALL FEDERAL 5	30-015-34298-00-S1	Sec 7 T22S R31E SWSE 330FSL 1650FEL

32. Additional remarks, continued

Royalty values will not be affected by this commingle.

Continuation of amendment for Llama ALL Federal Com #9H Surface/Lease Commingle

Oil Measurement

Each of the wells are equipped with continuous metering separators for oil production prior to oil being commingled for sales at the Llama ALL Federal #1. 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.

Gas Measurement

Each of the wells are equipped with allocation meters for gas prior to commingling and the BLM point of measurement for this commingled production is at Agave's CDP meter #214290 located at Llama ALL Federal #1.

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 built separate facilities for each well.

**Attachment to the amendment for Llama ALL Federal Com #9H Surface/Lease (CA)
commingle application**

Federal Lease #NM-81952

<u>Well name</u>	<u>Field/Pool</u>	<u>BOPD</u>	<u>Grav.</u>	<u>MCFPD</u>	<u>BTU</u>
Llama ALL Federal #1 Sec. 7-T22S-R31E, SWSW API #30-015-28093 Eddy County, NM	Cabin Lake; Delaware	54	37.8	35	1071
Llama ALL Federal #4 Sec. 7-T22S-R31E, SESW API #30-015-34297 Eddy County, NM	Cabin Lake; Delaware	14	39.0	42	1351
Llama ALL Federal #5 Sec. 7-T22S-R31E, SWSE API #30-015-34298 Eddy County, NM	Cabin Lake; Delaware	13	40.0	30	1369
Llama ALL Federal #10H Sec. 7-T22S-R31E, SESW API #30-015-37190 Eddy County, NM	Cabin Lake; Delaware	61	38.8	293	1500

069509

Federal Lease #NM-81952 & LC-~~69509~~, CA #NM-129331

<u>Well name</u>	<u>Field/Pool</u>	<u>BOPD</u>	<u>Grav.</u>	<u>MCFPD</u>	<u>BTU</u>
Llama ALL Federal Com #9H Sec. 7-T22S-R31E, lot 4 API #30-015-37189 Eddy County, NM	Cabin Lake; Delaware	75	42	86	1471

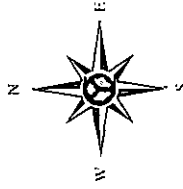


105 South 4th Street • Artesia, NM 88210
(575) 748-1471

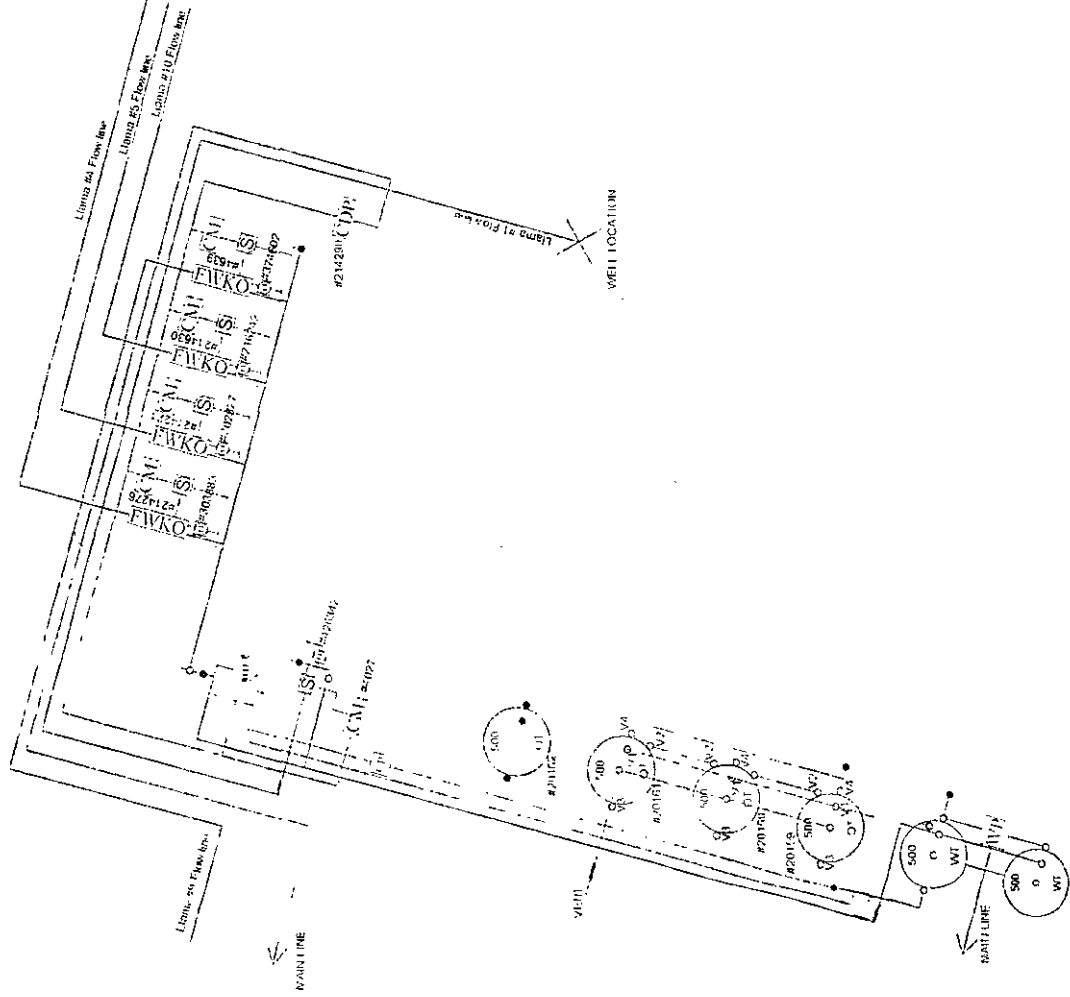
-Joe Palma
-January, 2016

Llama ALL Federal #1H

330' FSL & 950' FWL * Sec 7 - T22S-R31E* Unit M
Lea County, NM
API - 3001528093



- = Valve Closed
- = Valve Opened
- VRU = Vapor Recovery Unit
- KDP = Central Delivery Point
- WT = Water Pump
- CM = Check Meter
- FWKO = Free Water Knock Out
- IS = Separator
- FM = Flow Meter
- VP = Vaporizing Pump
- ES = Oil "Subsidence" Meter
- PH = Heater Installation
- Valve #1 - Fill
- Valve #2 - Equalizer
- Valve #3 - Drain
- Valve #4 - Load



Sales Phase:	
Tank #20159	Valve 1 Tank Sealed Closed
	Valve 2 Tank Sealed Closed
	Valve 3 Tank Sealed Closed
	Valve 4 Tank Sealed Closed
Tank #20160	Valve 1 Tank Open
	Valve 2 Tank Open
	Valve 3 Tank Open
	Valve 4 Tank Sealed Closed
Tank #20161	Valve 1 Tank Sealed Closed
	Valve 2 Tank Open
	Valve 3 Tank Sealed Closed
	Valve 4 Tank Sealed Closed
Tank #20162	Valve 1 Tank Sealed Closed
	Valve 2 Tank Sealed Closed
	Valve 3 Tank Sealed Closed
	Valve 4 Tank Sealed Closed

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

036

NMNM 0553906

031

032

NMNM 070335

001

NMNM 105216

006

005

BHL

BHL

NMNM 0479142

NMLC 0069509

NMNM 081952

008

012

007

NMNM 0000300

Jama All Federal Wells

NMLC 0064827A

NMNM 089051

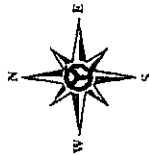
013

010

017



HEADQUARTERS
ARTESIA, NEW MEXICO 80210



LEGEND

- OIL WELL, PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS
- FLOW LINE YATES

TOWNSHIP AND RANGE
T22S R31E

SECTION
7

FOOTAGE

NM STATE

US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH

DATE DRAWN: 07-08-14

COUNTY: EDDY

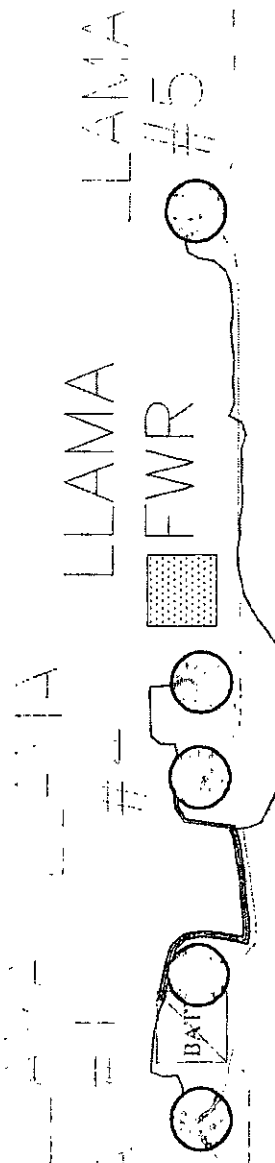
STATE: NEW MEXICO

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 FROM
PETROLEUM CORPORATION DOES NOT
GUARANTEE THE ACCURACY OF THIS
MAP OR INFORMATION DELINEATED
THEREON.
NOK DOES YATES PETROLEUM
CORPORATION ASSUME
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THEREON. RECIPIENT AGREES NOT TO
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**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 11/18/15 05:41 AM

Page 1 of 1

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

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

239.040

NMNM-- - 129331

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 129331

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-- - 129331

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0220S	0310E	006	LOTS	6,7;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0220S	0310E	007	LOTS	1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 129331

Act Date	Code	Action	Action Remarks	Pending Office
08/01/2012	387	CASE ESTABLISHED	LLAMA ALL FED COM 9H	
08/01/2012	516	FORMATION	DELAWARE	
08/01/2012	526	ACRES-FED INT 100%	239.04;100%	
08/01/2012	868	EFFECTIVE DATE		
11/03/2012	654	AGRMT PRODUCING		
01/24/2013	334	AGRMT APPROVED		

Line Nr Remarks Serial Number: NMNM-- - 129331

0001	RECAPITULATION EFFECTIVE 08/01/2012			
0002	TR#	LEASE SERIAL#	AC COMMITTED	%INTEREST
0003	1	NM-81952	199.19	83.3290
0004	2	LC-069509	39.85	16.6710
0005	TOTAL		239.04	100.0000

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FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

Serial Register Page

Co

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 12:05 PM

Page 1 of 7

Click here to see on map

Run Date: 07/01/2014

01 12-22-1987:101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 1,078.960
Serial Number NMNM - 081952

Name & Address	Serial Number: NMNM - 081952	Int Rel	% Intere
ABO PETRO CORP 105 S 4TH ST	ARTESIA NM 8210	LESSEE	10 00000000
MYCO INDUSTRIES INC 105 S 4TH ST	ARTESIA NM 8210	LESSEE	10 00000000
OXY Y-1 COMPANY PO BOX 27570	MOCKSTOWN TX 71227570	LESSEE	10 00000000
YATES PETRO CORP 105 S 4TH ST	ARTESIA NM 8210	LESSEE	10 00000000

Map Twp Rng Sec	STyp	SN/ SUFF	Subdivision	District/Field Office	County	Mgmt Agency
21 02205 0310E 006	ALG		52VEE20W SE	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
21 02205 0310E 006	LOT3		12.4.7	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
21 02205 0310E 007	ALG		E2E2W2	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
21 02205 0310E 007	LOT3		12.4	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
06/20/1975	197	CASE ESTABLISHED	PARCEL #261	
06/21/1979	171	CASE FILED		
06/21/1991	167	RIO RECEIVED	042001.000	
06/21/1991	190	MONIES RECEIVED	042001.000	
06/22/1985	111	RENTAL RECEIVED	01618.50/198/91-80	
06/23/1985	237	LEASE ISSUED		
06/23/1985	974	AUTOMATED RECORD VERIFY		SEPT 7/00
07/01/1985	496	FILE CODE	04:145902	
09/01/1985	539	FLTY RATE = 12.14%		
09/01/1985	558	EFFECTIVE DATE		
09/22/1985	111	RENTAL RECEIVED	01618.50/21/923376063	
10/22/1990	400	RECORDS MYTEL		
12/08/1990	942	CASE MICROFILMED	0004 567.390	
07/18/1990	111	RENTAL RECEIVED	01618.50/21/36481	
07/18/1990	111	RENTAL RECEIVED	01618.50/21/37307	
06/05/1992	405	BOUND ACCEPTED	SEP 04/22/93/0802144	
07/15/1992	111	RENTAL RECEIVED	01618.50/21/47318	
06/03/1994	175	ADD FILED	YATES PETRO CASE	
06/21/1994	578	ADD FILED	YATES PETRO CASE	
06/29/1994	578	ADD RECEIVED	3 L2004 ALL FEE	
06/30/1994	340	RENTAL RECEIVED BY OMR	02188.00/22/00/0000004	
06/31/1994	230	EXTENDED	TRM 06/31/94	
11/16/1994	420	RECORDS NOTED		
11/29/1994	974	AUTOMATED RECORD VERIFY	185	
12/03/1994	650	RECD BY PROD - ACTUAL		
12/03/1994	655	RECD BY 1ST PROD-ACTUAL		
07/15/2001	628	FLTY RECONCILIATION DENIED		
02/04/2002	974	AUTOMATED RECORD VERIFY	200	
05/12/2011	440	NAME CHANGE RECOGNIZED	YATES O&G COMPANY Y-1	
04/01/2012	246	LEASE COMMITTED TO CP	04 106121551	

Line Nr	Remarks
NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM	

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

Run Date/Time: 08/13/12 09:54 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

38.850

NMLC- 0 069509

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMLC-- 0 069509

Name & Address	Int Rel	Interest
CTV OG NM LLC 201 MAIN ST STE 2700	FORT WORTH TX 761023131	LESSEE 25 000000000
KEYSTONE OG NM LLC 201 MAIN ST#2700	FORT WORTH TX 76102	LESSEE 18 750000000
LMBI LP 201 MAIN ST #2700	FORT WORTH TX 761023131	LESSEE 18 750000000
SRBI OG NM LLC 201 MAIN ST #2700	FORT WORTH TX 76102	LESSEE 18 750000000
THRU LINE OG NM LLC 201 MAIN ST #2700	FORT WORTH TX 76102	LESSEE 18 750000000

Serial Number: NMLC-- 0 069509

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0220S	0310E	007	LOTS	2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC 0069509

Relinquished/Withdrawn Lands

23 0220S 0310E 706	FF	01	L1,2,6,7,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 706	FF	02	S2NE,E2SW,SE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	01	L1,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	02	NENW,N2NE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	03	LOTS 3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 707	FF	04	S2NE,SENW,E2SW,SE,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 718	FF	01	LOTS 1,2,3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 718	FF	02	E2,E2W2,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 719	FF	01	LOTS 1,2,3,4,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 719	FF	02	E2,E2W2,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S 0310E 730	FF	01	N2NE,SENE,CANC;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 069509

Act Date	Code	Action	Action Remarks	Pending Office
12/27/1948	124	APPLN RECD		
02/01/1952	237	LEASE ISSUED		
02/01/1952	496	FUND CODE	05;145003	
02/01/1952	530	RLTY RATE - 12 1/2%		
02/01/1952	868	EFFECTIVE DATE		
06/16/1953	232	LEASE COMMITTED TO UNIT	NNNM70965X;JAMES RANCH	
08/01/1953	553	CASE CREATED BY ASGN	OUT OF NMLC069509-A;	
11/20/1956	102	NOTICE SENT-PROD STATUS		
02/16/1962	651	HELD BY PROD - ALLOCATED	JAMES RANCH	
02/16/1962	660	MEMO OF 1ST PROD-ALLOC	JAMES RANCH	
03/05/1970	940	NAME CHANGE RECOGNIZED	RICHARDSON OIL/BASS	
09/21/1983	600	RECORDS NOTED		
07/20/1984	817	MERGER RECOGNIZED	BASS ENTPR/BASS BROS	
07/03/1985	940	NAME CHANGE RECOGNIZED	BASS BROS/BASS ENTPR	
02/04/1986	140	ASGN FILED	BASS ENTPR/SID BASS	
02/04/1986	140	ASGN FILED	SID R BASS/INC	
03/27/1986	139	ASGN APPROVED	(1)EFP 03/01/86;	

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PURPOSES NOT INTENDED BY BLM

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

www.yatespetroleum.com

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

July 8, 2014

RE: Amend Surface/Lease commingle
Llama ALL Federal Com #9H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is requesting approval from Bureau of Land Management and Oil Conservation Division to amend CTB-642 oil only by adding gas production.

The battery is located at the Llama ALL Federal #1.

Ownership between the #1, 4, 5, and #10H is identical; however, the #9H will have diversified ownership.

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 Llama ALL Federal #1. 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.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM daily readings. The Agave's CDP meter #214290 is located at the Llama ALL Federal #1.

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 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

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

www.yatespetroleum.com

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

RE: Amend Surface/Lease commingle oil only
Llama ALL Federal Com #9H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding gas production.

The commingled production will be measured and sold at battery located at the Llama ALL Federal #1.

Ownership between the #1, 4, 5, and #10H is identical; however, the #9H will have diversified ownership.

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 Llama ALL Federal #1. 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.

Gas Measurement

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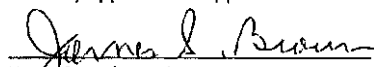
The purpose of the Surface/lease commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement or production. Without approval for utilizing existing batteries on adjacent leases, 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)

Sincerely,

Miriam Morales
Production Analyst

I hereby approve this application


James S. Brown
Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

www.yatespetroleum.com

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

RE: Amend Surface/Lease commingle oil only
Llama ALL Federal Com #9H
Eddy County, New Mexico

Dear Interest Owner,

Yates Petroleum is notifying you of an amendment to CTB-696 oil only by adding gas production.

The commingled production will be measured and sold at battery located at the Llama ALL Federal #1.

Ownership between the #1, 4, 5, and #10H is identical; however, the #9H will have diversified ownership.

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 Llama ALL Federal #1. 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.

Gas Measurement

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based on EFM daily readings. The Agave's CDP meter #214290 is located at the Llama ALL Federal #1.

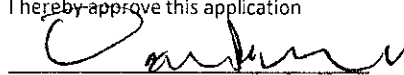
The purpose of the Surface/lease commingle of production is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement or production. Without approval for utilizing existing batteries on adjacent leases, 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)

Sincerely,

Miriam Morales
Production Analyst

I hereby approve this application


Abo Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1983

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

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Miriam Morales
Production Analyst

I hereby approve this application


MYCO Industries, INC

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

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

7013 2250 0000 5201 2310

GOOD EARTH MINERALS, LLC
C/O DEBORAH L GOLUSKA
PO BOX 1090
ROSWELL, NM 88202-1090

7013 2250 0000 5201 2327

MATLOCK MINERALS LTD
C/O DEBORAH L GOLUSKA
PO BOX 1090
ROSWELL, NM 88202-1090

7013 2250 0000 5201 2334

OCD
1220 S SAINT FRANCIS DR
SANTA FE, NEW MEXICO

7013 2250 0000 5201 2341

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

Print or Type Name

Signature

Production Analyst

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-642

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. Cabin Lake/Delaware 08435

(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: 

TITLE: Production Analyst

DATE: 7/8/14

TYPE OR PRINT NAME: Miriam Morales

TELEPHONE NO.: (575) 748-1471

E-MAIL ADDRESS: mmorales@yatespetroleum.com

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

**Llama ALL Federal #1, Llama ALL Federal #4, Llama ALL Federal #5, Llama ALL Federal #10, Llama ALL Federal Com #9
3001528093, 3001534297, 3001534298, 3001537190, 3001537189
Leases: NM81952, NMLC069509 NM94118 & CA: NM129331**

Yates Petroleum Corporation

March 23, 2016

Condition of Approval

Commingling of lease and CA production, and off CA storage, measurement and sales

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. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. 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.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.

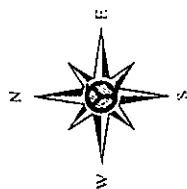


105 South 4th Street * Artesia, NM 88210
(575) 748-1471

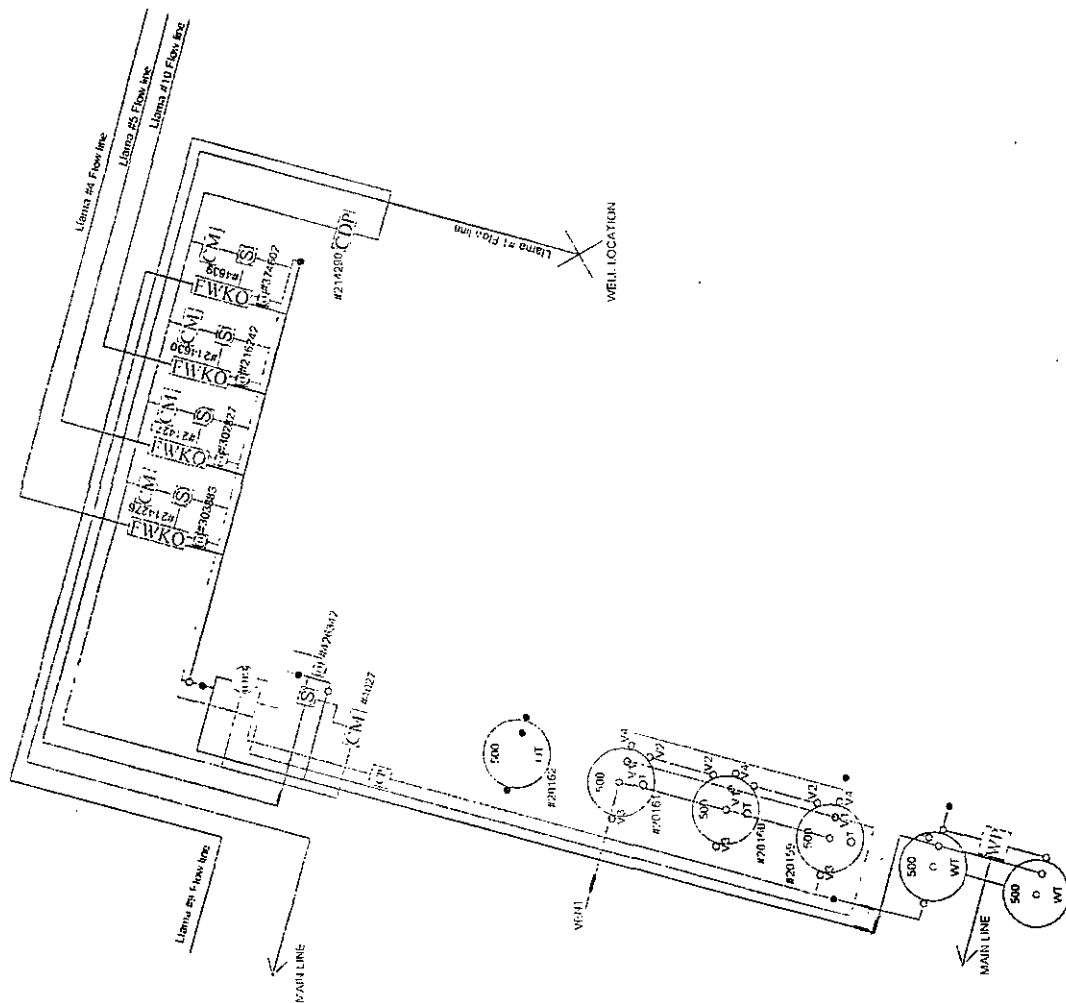
-Joe Palma
-January, 2016

Llama ALL Federal #1H

330' FSL & 950' FWL * Sec 7 - T22S-R31E* Unit M
Lea County, NM
API - 3001528093



- Valve Closed
- Valve Opened
- [VRU] = Vapor Recovery Unit
- [CDP] = Central Delivery Point
- [WP] = Water Pump
- [CM] = Check Meter
- [FWKO] = Free Water Knock Out
- [S] = Separator
- [FM] = Flame Meter
- [C] = Circulating Pump
- [O] = Oil Production Meter
- [H] = Heater Location
- Valve #1 - Fill
- Valve #2 - Equalizer
- Valve #3 - Drain
- Valve #4 - Load



Production Phase:

Tank #20159
Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #20160
Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20161
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20162
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Sales Phase:

Tank #20159
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20160
Valve 1 Tank Open
Valve 2 Tank Open
Valve 3 Tank Open
Valve 4 Tank Sealed Closed

Tank #20161
Valve 1 Tank Sealed Closed
Valve 2 Tank Open
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

Tank #20162
Valve 1 Tank Sealed Closed
Valve 2 Tank Sealed Closed
Valve 3 Tank Sealed Closed
Valve 4 Tank Sealed Closed

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