

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jon Goldstein**  
Cabinet Secretary

**Jim Noel**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



June 28, 2010

Administrative Order OLM-23

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Mayte Reyes

Yates Petroleum Corporation ("Yates") is hereby authorized to measure oil and gas production Off-Lease from the following well which is producing from the Coyote-Wolfcamp Gas Pool (97361) in Chaves County, New Mexico:

Grid Iron BLI Federal Com Well No. 2 (API 30-005-64063) ✓  
Sec 6, T-12-S, R-27-E, NMPM, Federal Lease No. NM-101580.

The oil and gas production from this well shall be measured and sold on Federal Lease No. NM-106904 held by the Football BCF Federal Well No. 2H (API 30-015-34553) in Unit I, of Section 1, T-12-S, R-26-E, NMPM. The Grid Iron BLI Federal Com Well No. 2 shall have its own tank battery and meter at all times.

The surface commingling of oil and gas production is NOT authorized.

**This approval is subject to like approval by the Bureau of Land Management (BLM) before commencing the Off-Lease Measurements.**

The operator shall notify the Artesia district office of the Division before commencement of Off-Lease Measurements.

  
MARK E. FESMIRE, P.E.,  
Division Director

MEF/re  
cc: Oil Conservation Division – Artesia  
Bureau of Land Management-Roswell



NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1226 South St. Francis Drive Santa Fe, NM 87505



yates

ADMINISTRATIVE APPLICATION CHECKLIST 30-005-64063

THIS CHECKLIST IS HAND-TO-PO 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 Leaselanders or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or SLC  
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 action is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity

MAYTE REYES Mayte Reyes Production Clerk 5-24-10  
Print or Type Name Signature Title Date

mayte@yatespetroleum.com  
e-mail Address

RECEIVED OGD  
2010 MAY 26 A 10:52

in

District I  
625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave. Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Artesia, NM 87410  
District IV  
1220 S. St Francis Dr. Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME YATES PETROLEUM CORPORATION  
OPERATOR ADDRESS 105 SOUTH 4TH STREET, ARTESIA, NM 88210  
APPLICATION TYPE

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

LEASE TYPE ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "Yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attach sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

☒ A schematic diagram of facility, including legal location

☒ A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved

☒ Lease Names, Lease and Well Numbers, and API Numbers

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Mafer Reyes

TITLE

PRODUCTION CLERK

DATE

5-24-2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5 Lease Designation and Serial No  
NM-101580

6 If Indian Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

1 Type of Well

Oil Gas  
☐ Well ☒ Well ☐ Other

2 Name of Operator

Yates Petroleum Corporation

3 Address and Telephone No

105 South Fourth Street, Artesia, NM 88210 (505) 7481471

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

1980' FSL & 660' FWL, Sec 6-T12S-R27E (Unit L, NWSW)

8 Well Name and No

Grid Iron BLI Federal Com #2

9 API Well No

30-005-64063 ✓

10 Field and Pool, or Exploratory Area

Coyote/Wolfcamp

11 County or Parish State

Chavez County, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Off Lease Measurement

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing-  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

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

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

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

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

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

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

14 I hereby certify that the foregoing is true and correct

Signed Marilyn Rogers

Title Production Secretary

Date May 24 2010

(This space for Federal or State office use)

Approved by

Conditions of approval, if any

Title

Date

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

\*See Instruction on Reverse Side

DISTRICT I  
1026 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1991 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Grande Blvd., Artesia, NM 87410

DISTRICT IV  
1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form G-102  
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30.005.64063	Pool Code 97361	Pool Name Wolfcamp; Coyote (G)
Property Code 37239	Property Name GRIDIRON "BLI" FEDERAL COM	Well Number 2
GRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3739'

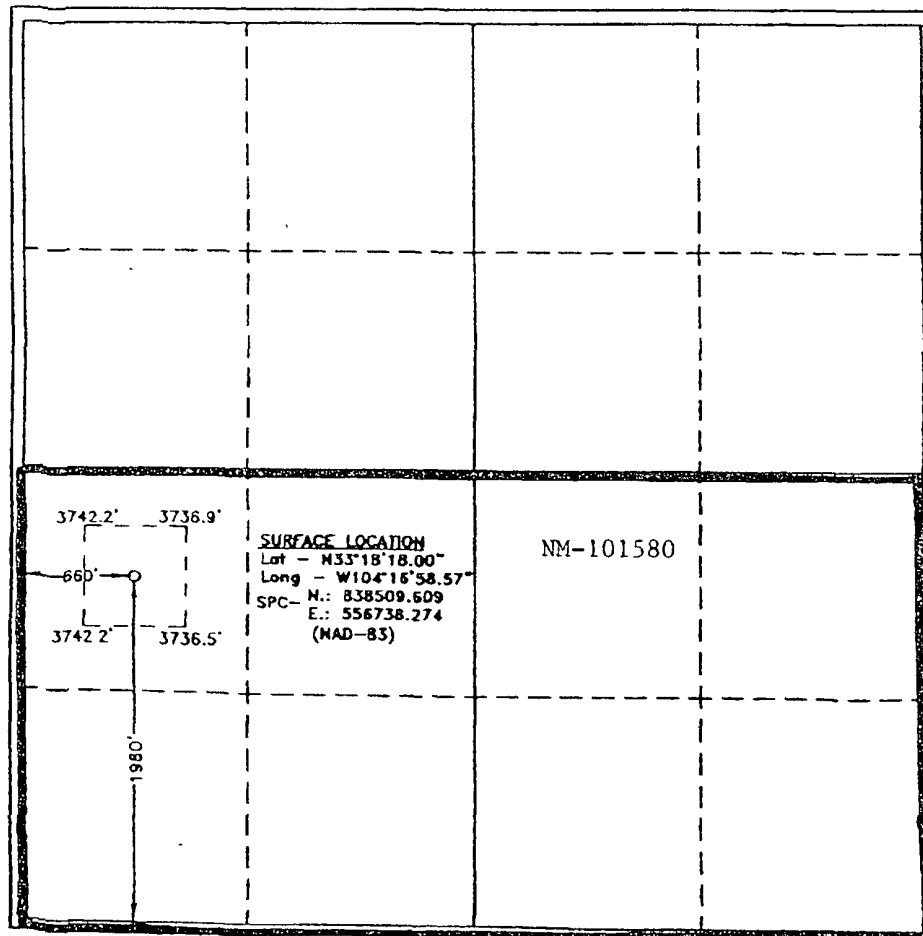
Surface Location

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

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres S/2 320 acres	Joint or Infill	Consolidation Code	Order No.						

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><b>OPERATOR CERTIFICATION</b></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 undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p>Signature: <i>Debbie L. Caffall</i> Date: 8/21/2008</p> <p>Printed Name: Debbie L. Caffall</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUG 21 11 55 AM 2008</p> <p>Date Surveyed: 8/21/08</p> <p>Signature: <i>Gary L. Jones</i> Professional Surveyor</p> <p>W.O. 1977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

105 South 4<sup>th</sup> Street \* Artesia, NM 88210  
(575)-748-1471

-Paul Hanes  
November, 2010

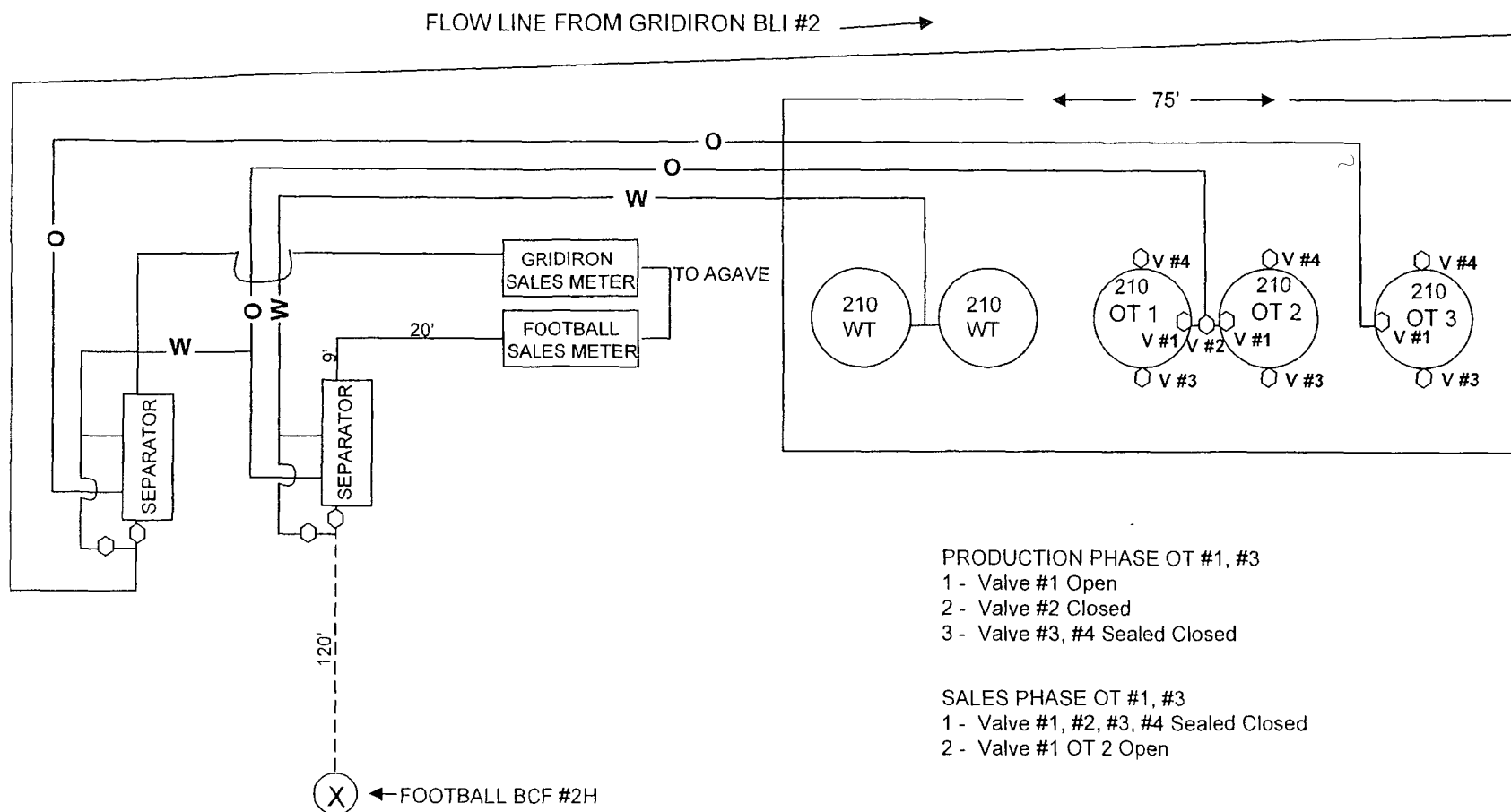
# FOOTBALL BCF FEDERAL #2H

1929' FSL & 1959' FEL \* Sec 01 – T12S – R26E \* Unit I

Chaves County, New Mexico

API 30-005-64020

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



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

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S. P. YATES  
1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

JOHN A. YATES  
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.  
PRESIDENT

SCOTT M. YATES  
VICE PRESIDENT

JAMES S. BROWN  
CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

May 25, 2010

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

Dear Interest Owner

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

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

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

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

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

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

Sincerely,

Mayte Reyes  
Production Clerk

I hereby approve this application

Company. MYCO Industries Inc.

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S. P. YATES  
1914-2008



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Sincerely,

Mayte Reyes  
Production Clerk

I hereby approve this application

Company. Sharbro Oil LTD. Co.

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER



MARTIN YATES, III

1912-1985

FRANK W YATES

1936-1986

S P YATES

1914-2008



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ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

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Sincerely,

Mayte Reyes  
Production Clerk

I hereby approve this application

Company ABO 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

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Sincerely,

Mayte Reyes  
Production Clerk

I hereby approve this application

Company Yates Drilling Company.

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  
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TELEPHONE (575) 748-1471

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Production Clerk

I hereby approve this application

  
\_\_\_\_\_  
Company Yates Petroleum Corporation.

KATHY H PORTER  
SECRETARY

DENNIS G KINSEY  
TREASURER

7009 2250 0004 1781 0831  
7009 2250 0004 1781 0831

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFF LEASE MANAGEMENT**

GRIP 1 NOV 11

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total P	

**MAYTE PROD**  
**5-25-10**

Postmark  
Here

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

PS Form 3800, August 2006

See Reverse for Instructions

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

Domestic Return Receipt 102595-02-M-1540

PS Form 3811, February 2004

7009 2250 0004 1781 0831

2. Article Number  
(Transfer from service label)

4 Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
3. Service Type	<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Express Mail <input type="checkbox"/> C.O.D.

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

A Signature	<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
B Received by (Printed Name)	C Date of Delivery
D Is delivery address different from item 1?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If YES, enter delivery address below	

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

COMPLETE THIS SECTION ON DELIVERY

SENDER: COMPLETE THIS SECTION