

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.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached

8. Well Name and No.
Multiple--See Attached

9. API Well No.
Multiple--See Attached

10. Field and Pool, or Exploratory
WC-025 G06 S253201M
WC-025 G08 S253235G

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

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator Contact: MIRIAM MORALES
YATES PETROLEUM CORPORATION 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)
Multiple--See Attached

30-025-42214
30-025-39525

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 surface pool/lease commingle production for the Farber BOB Federal #1H and the Resolute BTO Federal #1H.

The commingled production will be measured and sold/transferred at the Farber BOB tank battery facilities located at SWSW, Sec. 1-T25S-R32E.

Diversified ownership. All owners will be notified. (see attach)

Please see site facility diagram and other documentation attach.

Royalty values will not be affected by this commingle.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #302651 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by DUNCAN WHITLOCK on 06/30/2015 (15DW0026SE)

Name (Printed/Typed) MIRIAM MORALES	Title PRODUCTION ANALYST
Signature (Electronic Submission)	Date 05/22/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. Whitlock</i>	Title LPE7	Date 11/18/15
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 <i>[Signature]</i>

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 ****

DEC 07 2015

Additional data for EC transaction #302651 that would not fit on the form

5. Lease Serial No., continued

NMNM110835
NMNM15317

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM110835	NMNM110835	RESOLUTE BTO FEDERAL COM	30-025-42214-00-S1	Sec 12 T25S R32E NENE 50FNL 440FEL 32.090808 N Lat, 103.371669 W Lon
NMNM15317	NMNM15317	FARBER BOB FEDERAL 1H	30-025-39525-00-S1	Sec 1 T25S R32E SWSW 330FSL 660FWL

Continuation of Resolute BTO Federal #1H surface pool/lease commingle

Federal Lease #NM-15317

Well name

Farber BOB Federal #1H
 Sec. 1-T25S-R32E, SWSW
 API #30-025-39525
 Lea County, NM

Pool #97784

Bone Spring

BOPD

21

Gravity

44

MCFPD

86

BTU

1195

Federal Lease #NM-110835

Resolute BTO Federal #1H
 Sec. 12-T25S-R32E, NENE
 API #30-025-42214
 Lea County, NM
 (not yet drilled)

Pool #97903

Lower Bone Spring

*400

*45

*500

*1282

* This is an estimated production and updated information will be provided to BLM when available.

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 Farber BOB Federal #1H. 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

Total gas production and sales/transferred volumes 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 #104095 is located at Sec.1-T25S-R32E, SWSW.

The purpose of the Surface Pool/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.

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

Procedure to verify accuracy of turbine allocation meters:

- 1) After the initial install of the turbine allocation meter, production fluid from the well associated to said meter is flowed through the meter and into a sales tank.
- 2) The sales tank is then gauged and the calculated volume is compared to the metered volume.
- 3) If needed, corrections to the meter's calibration factor are made to ensure that metered volumes correspond to the measured volumes from the gauged tank.
- 4) This process is repeated periodically or as needed, determined from the lease operator's daily comparison of total allocation meter readings to gauged tank volumes.

Note: Turbine allocation meters are locked to prevent unwanted tampering of the meter calibration factor.

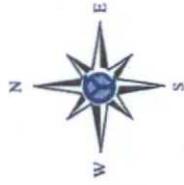


105 South 4th Street • Artesia, NM 88210
(505) 748-1471

-Aaron Bishop
-April, 2015

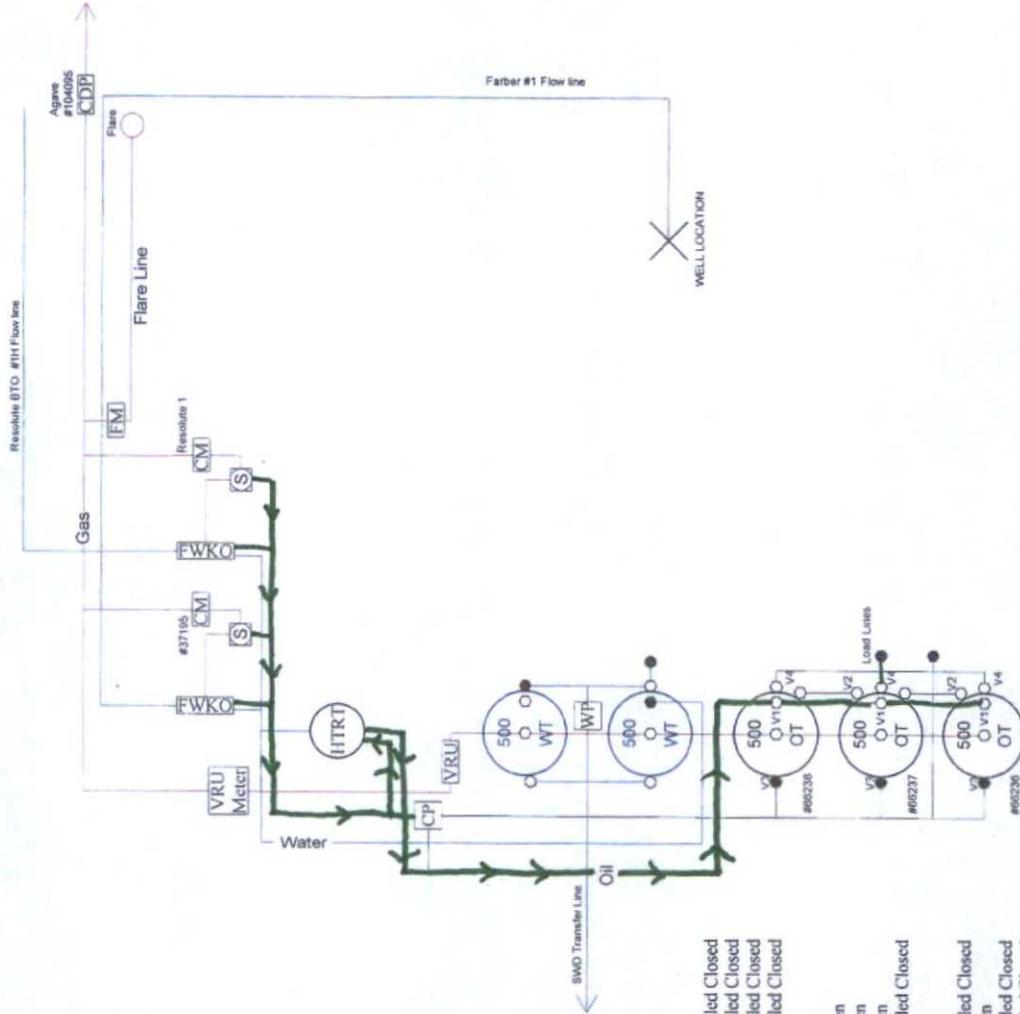
Farber BOB Federal #1H

330' FSL & 660' FWL * Sec 1 - T25S-R32E* Unit M
Lea County, NM
API - 3002539525



- = Valve Closed
- = Valve Opened
- VRUJ = Vapor Recovery Unit
- CDP = Central Delivery Plant
- WP = Water Pump
- CM = Check Meter
- FWKO = Free Water Knock Out
- S = Separator
- FM = Flame Meter
- CP = Circulating Pump
- HTRT = Heater Treater

- Valve #1 - Fill
- Valve #2 - Equalizer
- Valve #3 - Drain
- Valve #4 - Load



- | | |
|----------------------------|----------------------------|
| Production Phase: | Sales Phase: |
| Tank #66236 | Tank #66236 |
| Valve 1 Tank Open | Valve 1 Tank Sealed Closed |
| Valve 2 Tank Open | Valve 2 Tank Sealed Closed |
| Valve 3 Tank Open | Valve 3 Tank Sealed Closed |
| Valve 4 Tank Sealed Closed | Valve 4 Tank Sealed Closed |
| Tank #66237 | Tank #66237 |
| Valve 1 Tank Sealed Closed | Valve 1 Tank Open |
| Valve 2 Tank Open | Valve 2 Tank Open |
| Valve 3 Tank Sealed Closed | Valve 3 Tank Open |
| Valve 4 Tank Sealed Closed | Valve 4 Tank Sealed Closed |
| Tank #66238 | Tank #66238 |
| Valve 1 Tank Sealed Closed | Valve 1 Tank Sealed Closed |
| Valve 2 Tank Sealed Closed | Valve 2 Tank Open |
| Valve 3 Tank Sealed Closed | Valve 3 Tank Sealed Closed |
| Valve 4 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



145 SOUTH POLK STREET (75) 248-1471
ARTERNA, NEW MEXICO 86210



LEGEND

GPS ROADS

- GAS WELL, PROPOSED
- OIL WELL, PROPOSED
- GAS WELL
- OIL WELL
- SALT WATER DISPOSAL

NM STATE
US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH
 DATE DRAWN: 05-21-15
 COUNTY:
 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
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7

FARBER
BOB #1H



FARBER
FWR



RESOLUTE
BTO #1H



185 SOUTH FORK RD. (259) 788-1471
ARTESIA, NEW MEXICO 88210



LEGEND

GPS ROADS

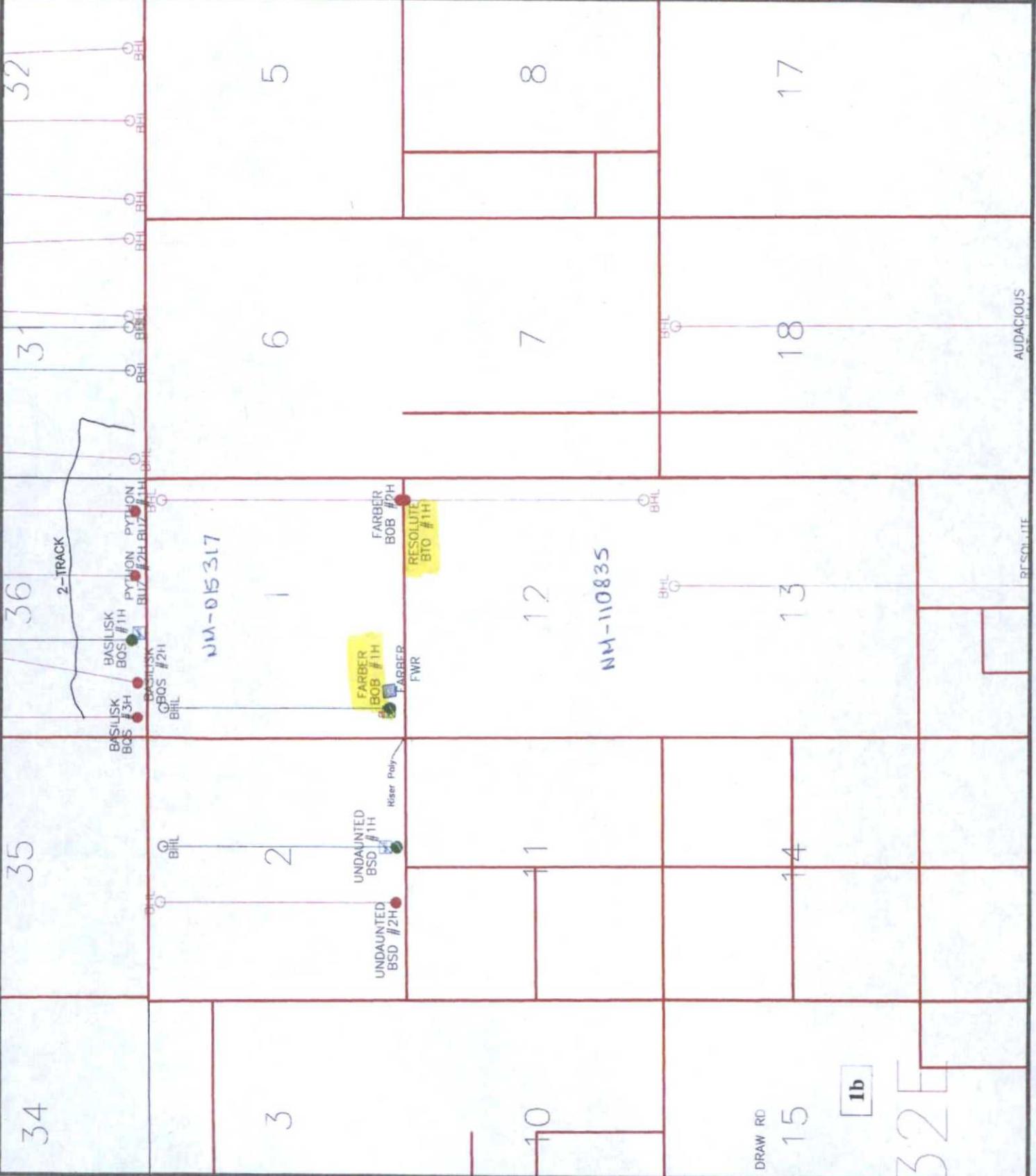
- GAS WELL PROPOSED
- OIL WELL PROPOSED
- GAS WELL
- OIL WELL
- SALT WATER DISPOSAL
- LEASE BOUNDARIES

NM STATE
US BUREAU OF
LAND MANAGEMENT

DRAWN BY: JAH
DATE DRAWN: 05-20-15
COUNTY:
STATE: NEW MEXICO
SHEET NUMBER: 1 OF 1
SCALE: 1" = 1/2 mile

TITLE:

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CORPORATION OR ITS AFFILIATES.





Click here to see on map

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

Run Time: 10:51 AM
Page 3 of 3

Run Date: 04/24/2015

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

Total Acres 1,600.000
Serial Number NMNM-- 110835

Name & Address		Serial Number: NMNM-- 110835		Int Rel	% Intere
ABC PETRO CORP	105 S 4TH ST	ARTESA NM 88216	LESSEE		33.33000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESA NM 88216	LESSEE		33.33000000
OXY Y-1 COMPANY	PO BOX 7570	HOUSTON TX 77227570	LESSEE		33.34000000

Mer	Typ	Rns	Sec	STyp	SNr	Subdivision	District/Field Office	County	Mgmt Agency
23	02505	0220E	011	ALIO	NW		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02505	0220E	012	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02505	0220E	013	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02505	0220E	014	ALIO	NW		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remar	Pending Offic
01/22/2015	001	ADD TO REGISTER		
01/22/2015	002	CALL REG		
01/22/2015	003	REI REGISTER		
01/22/2015	004	LEADS TO FILE		
01/22/2015	005	FILED TO REG		
01/22/2015	006	FILED TO REG		
01/22/2015	007	FILED TO REG		
01/22/2015	008	FILED TO REG		
01/22/2015	009	FILED TO REG		
01/22/2015	010	FILED TO REG		
01/22/2015	011	FILED TO REG		
01/22/2015	012	FILED TO REG		
01/22/2015	013	FILED TO REG		
01/22/2015	014	FILED TO REG		
01/22/2015	015	FILED TO REG		

Line Nr	Remarks
1	01/22/2015 001 ADD TO REGISTER
2	01/22/2015 002 CALL REG
3	01/22/2015 003 REI REGISTER
4	01/22/2015 004 LEADS TO FILE
5	01/22/2015 005 FILED TO REG
6	01/22/2015 006 FILED TO REG
7	01/22/2015 007 FILED TO REG
8	01/22/2015 008 FILED TO REG
9	01/22/2015 009 FILED TO REG
10	01/22/2015 010 FILED TO REG
11	01/22/2015 011 FILED TO REG
12	01/22/2015 012 FILED TO REG
13	01/22/2015 013 FILED TO REG
14	01/22/2015 014 FILED TO REG
15	01/22/2015 015 FILED TO REG

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

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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

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CHIEF EXECUTIVE OFFICER

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

RE: Surface Pool/lease Commingle
Resolute BTO Federal #1H
Lea County, NM

Dear Interest Owner,

Yates Petroleum is notifying you of an application to Surface Pool/lease Commingle production for the following wells:

Federal Lease #NM-15317

Well name
Farber BOB Federal #1H
Sec. 1-T25S-R32E, SWSW
API #30-025-39525
Lea County, NM

Pool #97784
Bone Spring

BOPD
21

Gravity
44

MCFPD
86

BTU
1195

Federal Lease #NM-110835

Resolute BTO Federal #1H
Sec. 12-T25S-R32E, NENE
API #30-025-42214
Lea County, NM
(not yet drilled)

Pool #97903
Lower Bone Spring

*400

*45

*500

*1282

* This is an estimated production and updated information will be provided to BLM when available.

The ownership is diversified.

The commingle production will be measured and sold/transferred at the Farber BOB tank battery facilities located at Sec. 1-T25S-R32E, SWSW.

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 Farber BOB Federal #1H. 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.

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Total gas production and sales/transferred volumes will be based on the measurement at the CDP and allocated back to each well based on EFM daily readings. The Agave CDP meter #104095 is located at Sec. 1-T25S-R32E, SWSW

The purpose of the Surface pool/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 should have any questions, please give me a call at (575) 748-4200 (direct line).

Sincerely,

Miriam Morales
Production Analyst

I hereby approve this application

Company: Yates Petroleum Corporation

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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RE: Surface Pool/lease Commingle
Resolute BTO Federal #1H
Lea County, NM

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Sincerely,

Miriam Morales
Production Analyst

I hereby approve this application


Company: Myco Industries, Inc.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
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RE: Surface Pool/lease Commingle
Resolute BTO Federal #1H
Lea County, NM

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Lea County, NM

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Miriam Morales
Production Analyst

I hereby approve this application

Company: Abo Petroleum Corporation

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EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

May 22, 2015

RE: Surface Pool/lease Commingle
Resolute BTO Federal #1H
Lea County, NM

Dear Interest Owner,

Yates Petroleum is requesting approval from the Bureau of Land Management and the Oil Conservation Division to Surface Pool/lease Commingle production for the following wells:

Federal Lease #NM-15317

Well name

Farber BOB Federal #1H
Sec. 1-T25S-R32E, SWSW
API #30-025-39525
Lea County, NM

Pool #97784

Bone Spring

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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

LIST OF OWNERS WITH CERTIFIED LETTER NUMBERS

JAMES A CARSON PO BOX 1761 LOWELL, AZ 72745-1761	7014 0510 0001 0743 9455
GATES PROPERTIES, LTD PO BOX 81119 MIDLAND, TX 79708-1119	7014 0510 0001 0743 9462
JAMI HARL 2485 E 54 TH STREET TULSA, OK 74105-7201	7014 0510 0001 0743 9479
JUANEL HARPER 1207 W CENTRE AVE ARTESIA, NM 88210	7014 0510 0001 0743 9486
DAVID HARPER 43-1 W JAMES FUNK RD LAKE ARTHUR, NM 88253	7014 0510 0001 0743 9493
JOHN W GATES LLC 706 W GRAND AVE ARTESIA, NM 88210-1935	7014 0510 0001 0743 9509
B&G ROYALTIES PO BOX 376 ARTESIA, NM 88211-0376	7014 0510 0001 0743 9516
RAY HALL BECK 3509 DOMINION RIDGE SAN ANGELO, TX 76904-8147	7014 0510 0001 0743 9523
OXY Y-1 COMPANY PO BOX 841803 DALLAS, TX 75284-1803	7014 0510 0001 0743 9530
OIL CONSERVATION DIVISION 1220 S SAINT FRANCES DR SANTA FE, NM 87505	7014 0510 0001 0743 9547

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. _____
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
Bone Spring #97784	44/1195	44.5/1239		
Lower Bone Spring #97903	45/1282			

- (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 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: _____

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**

**Farber BOB Federal #1H, Resolute BTO Federal #1H
3002539525, 3002542214
Leases: NM115317 & NM110835**

**Yates Petroleum Corporation
November 18, 2015
Condition of Approval**

Commingling of lease production, and off lease 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.