

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

5. Lease Designation and Serial No.  
NM-104706

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil Gas  
☒ Well ☐ Well ☐ Other

8. Well Name and No.

Renegade BPG Federal #1H

2. Name of Operator

Yates Petroleum Corporation

9. API Well No.

30-025-39768

3. Address and Telephone No.

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

10. Field and Pool, or Exploratory Area

Wildcat/ Bone Springs

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

660' FNL & 330' FWL. Sec 18- T26S-R35E (Unit D, NWNW) Surface

660' FNL & 330' FEL. Sec 18- T26S-R35E (Unit A, NENE) Bottom

11. County or Parish, State

Lea 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 Gas

Only

- ☐ 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 Gas Only for the following well:

Renegade BPG Federal #1H  
Section 18-T26S-R35E  
Wildcat/Bone Springs  
API #30-025-39768  
Lea County, NM  
Federal Lease # NM-104706

RECEIVED

MAR 03 2011

HOBBSCO

The Renegade BPG Federal #1H BLM point of measurement is at the Southern Union's gas meter located on the SW/SE of Sec-7-T26S-R35E Federal lands.

Well will have its own tanks 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, economic feasibility, and will not result in reduced royalty or improper measurement of production.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Signed Mateu Reges  
(This space for Federal or State office use)

Title Production Secretary

Approved by

Title

Conditions of approval, if any:

Date January 14, 2011

Date

PETROLEUM ENGINEER

APPROVED

FEB 26 2011  
/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88216  
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 4<sup>th</sup> STREET 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

- (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: Mafe Rego TITLE: PRODUCTION CLERK DATE: 1-14-11

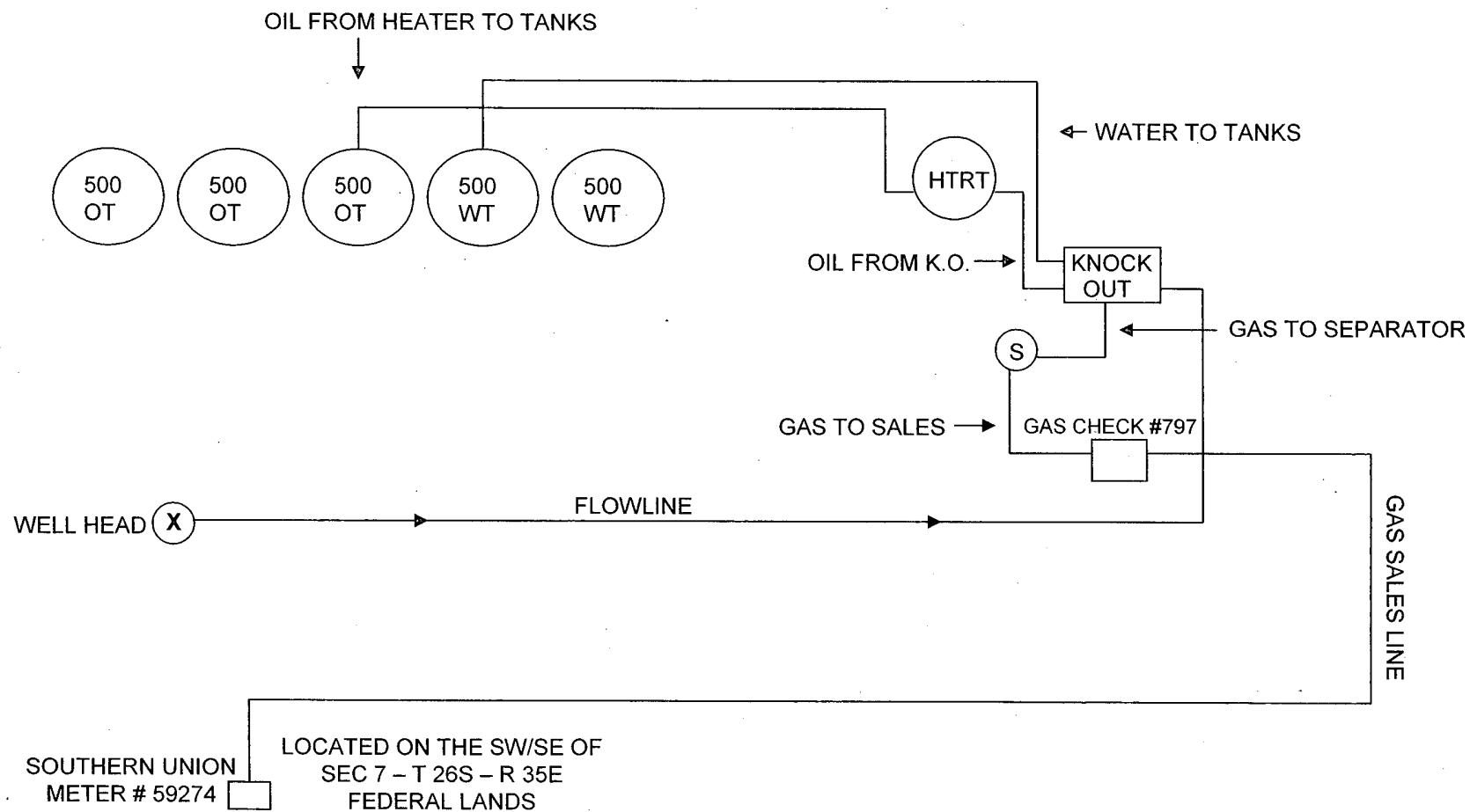


105 South 4<sup>th</sup> Street \* Artesia, NM 88210  
(575)-748-1471

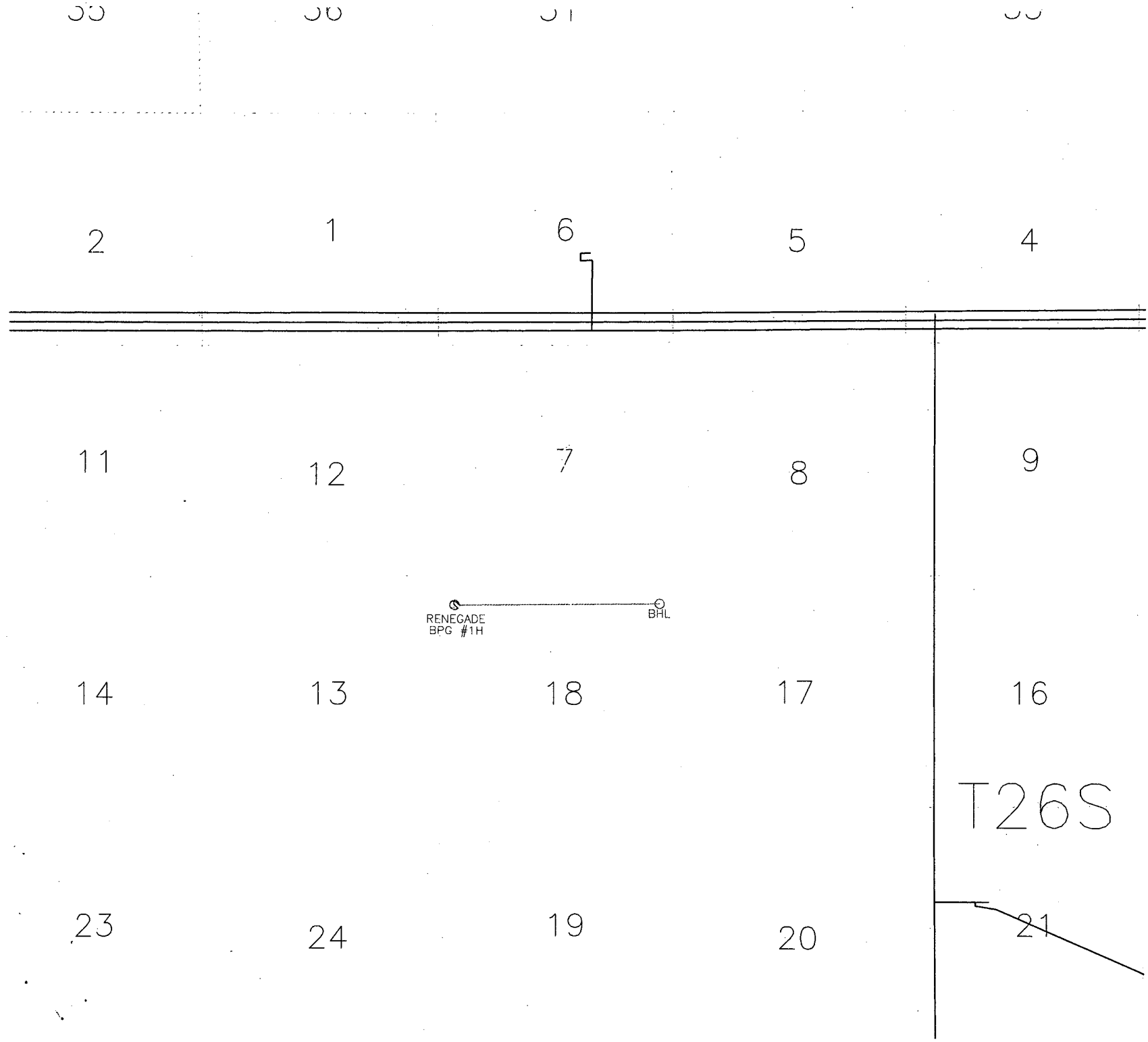
-Joe Chaves  
January, 2011

## RENEGADE BPG FEDERAL #1H

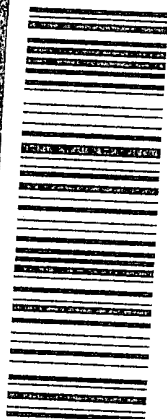
660' FNL & 330' FWL \* Sec 17 - T 26S - R 35E \* Unit C  
Lea County, NM



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



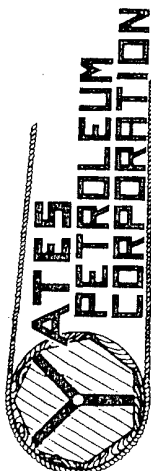
CERTIFIED MAIL



7009 2250 0004 1781 1067  
7009 2250 0004 1781 1067

U.S. Postal Service	
<b>CERTIFIED MAIL RECEIPT</b>	
<i>(Domestic Mail Only, No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>RENEE JOE COFF L E A C</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	
OXY-Y-1 Company	
P.O. Box 841803	
Dallas, TX 75284-1803	
PS Form 3800, August 2005	
See Reverse for instructions	

4-14-11  
MAYTE-PRO  
Postmark  
Here



YATES BUILDING - 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.R. 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.  
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CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

January 14, 2011

Re: Off Lease Measurement  
Wildcat/ Bone Springs  
Lea County, New Mexico

Dear Interest Owner:

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

Renegade BPG Federal #1H  
Section 18-T26S-R35E  
Wildcat/Bone Springs  
API #30-025-39768  
Lea County, NM  
Federal Lease # NM-104706

The Renegade BPG Federal #1H BLM point of measurement is at the Southern Union's gas meter located on the SW/SE of Sec-7-T26S-R35E Federal lands.

Well will have its own tanks 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, 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,

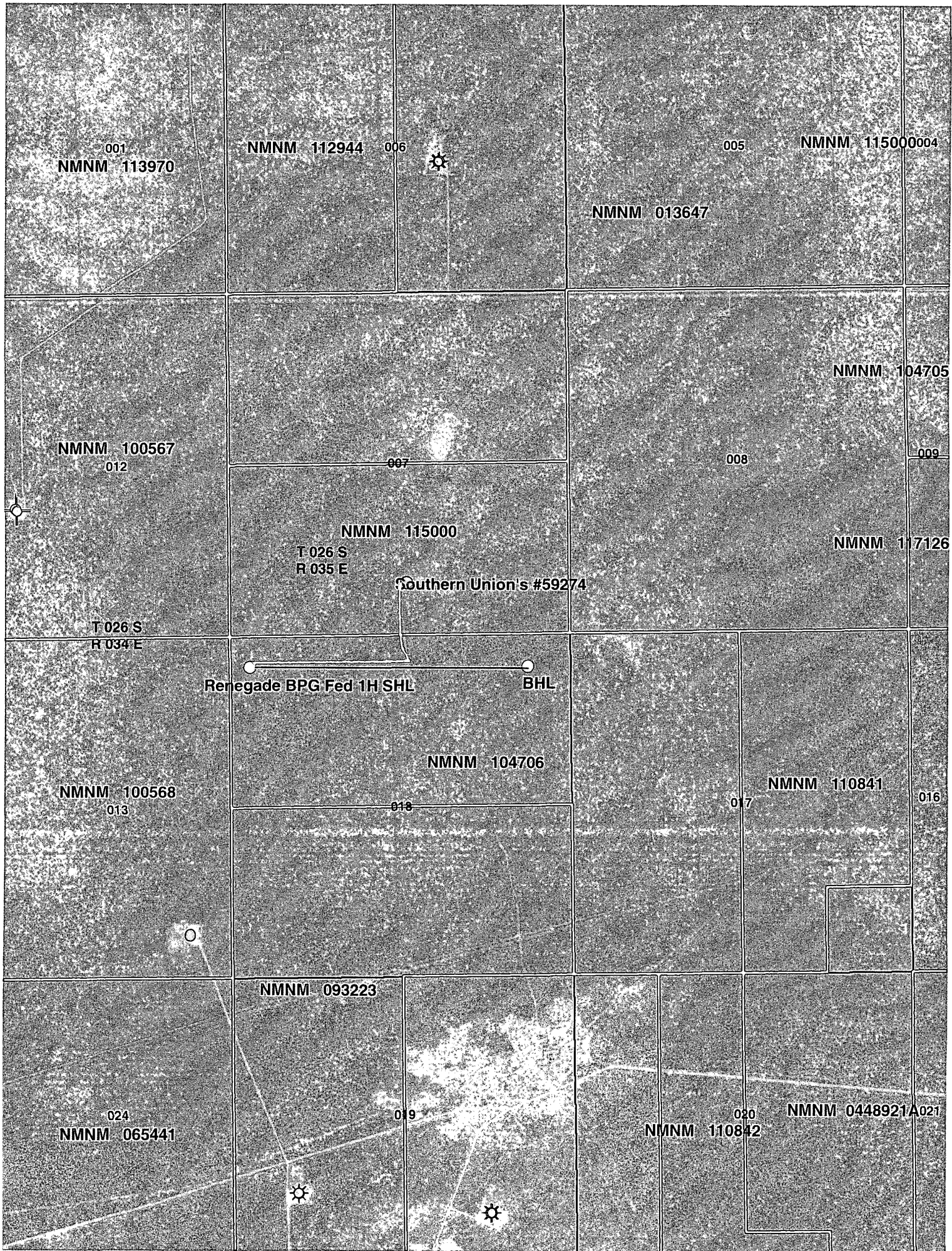
Mayte Reyes  
Production Clerk

I hereby approve this application

Company: ABO Petroleum Corporation.

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER





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

**Off-Lease Measurement**

**Conditions of Approval**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. 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.
7. Approval for off-lease measurement 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.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.