

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-5  
(June 1990)

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-0399448

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

RECEIVED

7. If Unit or CA, Agreement Designation  
NM-22902

1. Type of Well

Oil Gas  
☐ Well ☒ Well ☐ Other

MAY 24 2004

8. Well Name and No.  
Malone ASA Federal Com #3

2. Name of Operator

Yates Petroleum Corporation

OCD-ARTESIA

9. API Well No.  
30-015-31701

3. Address and Telephone No.

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

10. Field and Pool, or Exploratory Area  
Indian Basin/Upper Penn. Assoc.

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

1650' FSL 1980' FEL (Unit J, NWSE) Sec 12 T22S R23E

11. County or Parish, State

Eddy 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 Addition to Off Lease  
Measurement, Surface/Lease Commingle

- ☐ 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 administrative approval to Off Lease Measurement, Surface/Lease Commingle.

Hoc Federal Com #1, 2, & 4  
Section 13, & 18-T22S-R23E  
Formation: Indian Basin Upper Penn  
Eddy County, New Mexico  
Federal Lease # NM-059077

Hickory ALV federal #2  
Section 18-T22S-R24E  
Formation: Indian Basin Upper Penn  
Eddy County, New Mexico  
Federal Lease # NM-78215

Malone ASA Federal Com #3  
Section 12-T22S-R23E  
Formation: Indian Basin Upper Penn  
Eddy County, New Mexico  
Federal Lease #NM-0399448

The battery is located at the Hoc Fed Com #2 & Hickory #2 Battery. Please see attached plat and site facility diagram.

Oil will be transported off lease prior to measurement and will be measured by positive displacement, temperature compensated metering equipment. Gas will also be measured separately. Total sales volumes will be allocated back to individual wells based on daily well test.

Working interest had been notified.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily production for the Malone ASA Federal Com #3 is 1 bls of oil, and 1000 mcf.

The purpose of the Off Lease Measurement, Surface/Lease Commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

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

Signed

*Marta Reyes*

Title Production Secretary

Date May 13, 2004

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

LES BABYAK  
PETROLEUM ENGINEER

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.

Accepted for record - NMOC



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

**Wade Bennett - Foreman**

April 28, 2004

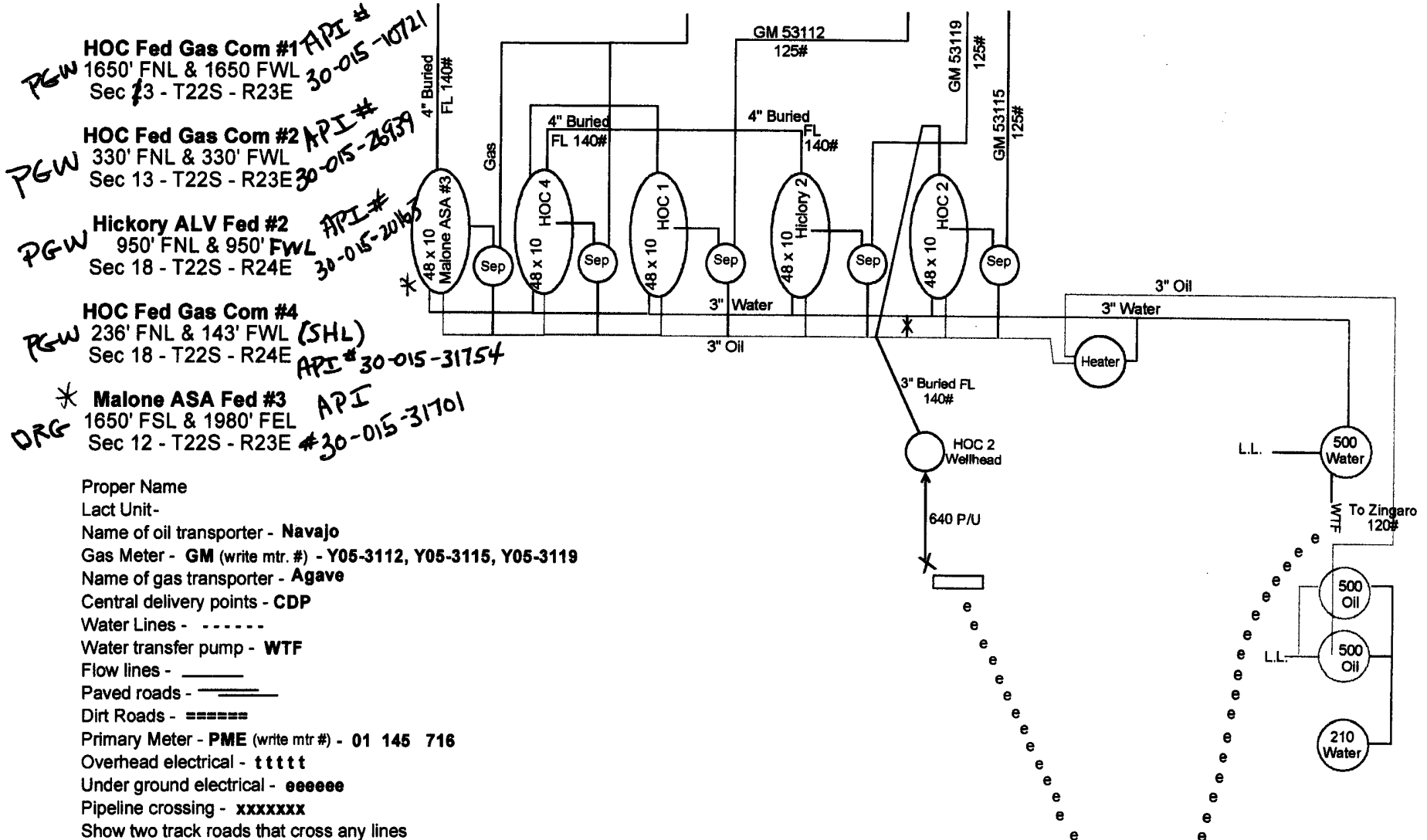
Sight Security Diagram

# HOC & Hickory Battery

Eddy County, NM

NORTH

Accepted for record - NMOCD



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

Dr., Hobbs, NM 88240

Energy, Minerals &amp; Natural Resources Department

Revised August 15, 2000

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-31701</b>	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Indian Basin Upper Penn</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>MALONE ASA FEDERAL COM.</b>	<sup>6</sup> Well Number <b>3</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>4007'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>J</b>	<b>12</b>	<b>22S</b>	<b>23E</b>		<b>1650</b>	<b>South</b>	<b>1980</b>	<b>East</b>	<b>Eddy</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<b>NM-0399448</b>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Cy Cowan</b> Printed Name <b>Regulatory Agent</b> Title <b>3/3/2003</b> Date
		<sup>18</sup> SURVEYOR CERTIFICATION 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. REFER TO ORIGINAL PLAT Date of Survey: Signature and Seal of Professional Surveyor:
		Certificate Number
		Accepted for record - NMOCD