

OCD-ARTESIA

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

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)

1680' FNL 1980' FEL (SWNE) Unit G Sec 28 T18S R29E

5. Lease Designation and Serial No
NMLC067348

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No

Dixon Yates LM Federal #1

9. API Well No.

30-015-23272

10. Field and Pool, or Exploratory Area

Loco Hills - Wolfcamp

11. County or Parish, State

Eddy County, NM

SEP 15 2008

OCD-ARTESIA

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 Surface 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 Surface Commingle diversely owned production from the same pool and federal Lease.

Dixon Yates LM Federal #1
Sec 28 T18S R29E
Loco Hills - Wolfcamp
Eddy County, NM
Federal Lease # NMLC067348
API#30-015-23272

Dixon & Yates LM Federal Com #2
Sec 28 T18S R29E
Loco Hills - Wolfcamp
Eddy County, NM
Federal Lease # NMLC067348
API#30-015-32814

APPROVED

SEP 13 2008

JAMES A. AMOS
SUPERVISOR-EPS

The battery is located at the Dixon & Yates LM Federal #2. Please see attached plat and site facility diagram.

Each well will have its own knock outs and oil, water production will be measured daily for allocation purposes. Each well also has its own gas check meters to be used for allocation.

Working interest owners are diversified and have 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 Dixon Yates LM Federal #1 is 10 bbls of oil, and 20 mcf and for the #2 is 50 bbls of oil and 130 mcf.

The purpose of the surface commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries it will become necessary to built 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 lease.

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

Title Production Secretary

ACCEPTED FOR RECORD

Date June 16, 2008

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any

SEP 16 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

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