Form 3160-5 (June 1990)	UNITED S DEPARTMENT O BUREAU OF LANI	F THE INTERIOR	N.M. Oil Co 811 S. 1st S. Artesia, NM		
S Do not use this	UNDRY NOTICES AN form for proposals to drill Use "APPLICATION I	l or to deepen or reent FOR PERMIT-" for su	ry to a different res	ervoir.	 If Indian, Allottee or Tribe Name If Unit or CA, Agreement Designation
I.Type of Well	SUBMIT	IN TRIPLICATE			
Gi I'' Gi					8. Well Name and No.
	/ell Other		· ··		Preston Federal #1
2. Name of Operator		ION			9. API Well No.
YATES PET	FROLEUM CORPORAT				30-015-20349
3. Address and Tele	-		1 4 7 1	Ĩ	0. Field and Pool, or Exploratory Area
105 S. 4th	Street, Artesia, NM 8	8210 (505) 748	-14/1		Dagger Draw Upper Penn, South
4. Location of Well	(Footage, Sec., T., R., M., or Surve	ey Description			11. County or Parish, State
1900' FSI	L & 850' FWL Section	35-T20S-R24E	Unit L, NWSW)	Eddy Co., NM
12. CHE	ECK APPROPRIATE BO	X(s) TO INDICATE			ORT, OR OTHER DATA
TYI	PE OF SUBMISSION		TYPE OF	ACTION	
	Notice of Intent	[] Aband	onment	l	Change of Plans
		Recon	pletion	L	New Construction
x	Subsequent Report	Pluggi	ng Back	ł	Non-Routine Fracturing
[]	02122	2320 Casin	g Repair	l.	☐ Water Shut-Off
L J	Final Abandonment Sold		ng Casing		Conversion to Injection
	And Do Port	1728	r Surface Comming Storage		Dispose Water (Note Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
drilled, give subsu	d or Complete Operations (Creft) arface locations and measured and the Creft of the State of the	Sty E. U.	kers and zones pertinent to	• this work.)*	ate of starting any proposed work. If well is direction
Yates Petroles and measuren	um Corporation respect: nent.	fully request approv	al for surface com	nmingling a	nd off lease storage
Please see atta	ached application.		APPRC PETER W. C	OVED CHESTER	

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	MAY 1 8 1999	
	BUREAU OF LAND MANAGEMENT ROSWELL RESOURCE AREA	
14. I hereby certify that the foregoing is true and correct Signed Pamela S. Harris	Title Production Secretary	Date 05/12/99
(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 pers statements or representations as to any matter within its jur		Inited States any false, fictitious or fraudulent
	to the Deverse Side	

*See Instruction on Reverse Side

APPLICATION FOR SURFACE COMMINGLING OFF LEASE STORAGE AND MEASUREMENT APPROVAL This Format Should Be Attached To A Sundry Notice

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To: Bureau of Land Management 620 East Greene Street Carlsbad, NM 88221-1778

<u>Yates Petroleum Corporation</u> (Operator's Name) is requesting approval for surface commingling and off lease storage and measurement of hydrocarbon production form the following formation(s) and well(s) on Federal Lease No.<u>NM-045276</u>; Lease Name: Preston Federal **(201)**.

Wel					
<u>No.</u>	Loc.	Sec.	<u>Twp.</u>	<u>Rng.</u>	Formation
1	L	<u>35</u>	<u>20Ş</u>	<u>24E</u>	Dagger Draw Upper Penn, South
3	<u> </u>	<u>34</u>	<u>20 1/2S</u>		Dagger Draw Upper Penn, South
4	<u>P</u>	<u>34</u>	<u>20 1/2S</u>	<u>23E</u>	Dagger Draw Upper Penn, South
5	0_	<u>34</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
7	<u>D</u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u> 10</u>	<u>P</u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u>_12</u>	T	<u>34</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u>13</u>	<u> </u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
_14	<u>N</u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u>17</u>	<u> </u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
22	1	<u>34</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
25	<u>N</u>	<u>34</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South

with hydrocarbon production from the following formation(s) and well(s) on a Federal Lease No. <u>NMNM8849</u>5 Lease Name: Preston 35N Federal Com.

<u>6</u>	_A_	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u>8</u>	<u>H_</u>	<u>34</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
9	<u>B_</u>	<u>34</u>	<u>20_1/2S</u>	<u>23E</u>	Dagger Draw Upper Penn, South
_15	<u>D</u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South
<u>18</u>	<u>G</u>	<u>35</u>	<u>20S</u>	<u>24E</u>	Dagger Draw Upper Penn, South

Production from the well(s) involved is as follows:

Well Name and No.	<u>BOPD</u>	Oil Gravity	MCFPD
Preston Federal #1	Q	41.6	2
Preston Federal #3	Q	<u>41.6</u>	<u>34</u>
Preston Federal #4	Q	<u>41.6</u>	601
Preston Federal #5	<u>6</u>	<u>41.6</u>	337
Preston Federal #7	17	<u>41.6</u>	359
Preston Federal #10	Q	41.6	145
Preston Federal #12	Q	41.6	100
Preston Federal #13	Q	41.6	109
Preston Federal #14	Q	41.6	597
Preston Federal #17	Q	41.6	37
Preston Federal #22	Q	41.6	190
Preston Federal #25	1	41.6	1282

WC

Preston 35N Federal Com#6	17	41.6	<u>205</u>
Preston 35N Federal Com#8	Q	<u>41.6</u>	30
Preston 35N Federal Com#9	Q	<u>41.6</u>	<u>564</u>
Preston 35N Federal Com#15	<u>0</u>	<u>41.6</u>	<u>125</u>
Preston 35N Federal Com#18	Q	<u>41.6</u>	<u>643</u>

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the location of all the wells that will contribute production to the proposed commingling/common storage facility.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at <u>NWSW-1/4, Sec. 35, T20S, R24E</u>, Federal lease: <u>Preston</u> <u>Federal #1, Eddy Co. NM</u>. BLM will be notified if there is any future change in the facility location.

Details of the proposed method of allocating production to contributing sources is as follows:

<u>Oil will be transported off lease prior to measurement and will be measured by turban metering equipment.</u> <u>Gas will also be measured separately.</u> <u>Total sales volume will be allocated back to individual wells based</u> on daily well test.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The purpose of the surface commingling, lease commingling, off lease storage and measurement is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without apporval 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 wells.

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 it we have not already done so.

Signature:

Name: Pamela S. Harris

Title: Production Cle	rk
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Date: _____



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Preston Federal #1 Site facility diagram on file: Yates Petroleum Corporation 105 South Fourth Styeet Artesia, NM 88210

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

R. E. Chambers Jr. 2413 Clayton Wichita Falls, TX 76308

Alice Ann Hanks Freeman P.O. Box 9087 Wichita Falls, TX 76308-9087

W.T. & Jeanette J. Probandt 415 W. Wall Suite 2206 Midland, TX 79701

Wills Royalty, Inc. P.O. Box 1658 Carlsbad, NM 88221-1658

Dora W. Payne 1501 Elizabeth Blvd. Fort Worth, TX 76110-2551

Roger C. Hanks Jr. 6308 B Taggart Houston, TX 77007-2052

Carl C. & Gladys A. Foster 1707 Northgate Place Artesia, NM 88210

Dorothy G. Foster P.O. Box 671 Nampa, ID 83653-0671

Kim M. Murdock 581 Thorbush Trace Lawrenceville, GA 30245-4779

Roy A. Moore Estate Betty June Lackey, Personal Rep. 110 Skinner Rd. Carlsbad, NM 88220

Wayne Scott 2113 Mesquite Lane San Angelo, TX 76904 Lollie Dee King Chambers 2413 Clayton Wichita Falls, TX 76308

Jessica Wilson #20 Third Street East Norwalk, CT 06855

The Riggs-Mills Limited P.O. Box 727 Cedaridge, CO 81413

Holnam Inc. 6211 N. Ann Arbor Dundee, MI 48131

Preston B. Hanks 16009 W. Dorman Dr. Austin, TX 78717-4804

Graham Hanks Hamilton Young 3004 Oak Bend Round Rock, TX 78681

Corrine Desadier 1022 Linton Bellvue Rd. Benton, LA 71006

Linda K. Guinan 1818 Booker Ave. Artesia, NM 88210

Thomas Lee Murdock 317 Harris St. Newport, OH 45768

Thomas M. Scott Jr. 1902 S. Concho San Angelo, TX 76904

Charles Henry Smith 1504 Bullock Ave. Artesia, NM 88210 Henry Terpening 3612 E. Castleberry Rd. Artesia, NM 88210

Travis Wilson 15 Evergreen Ave. West Port, CT 06880 Clay Thornton 10603 N. Mac Arthur Blvd. #1219 Irving, TX 75063 .

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US Postal Service **Receipt for Certified Mail** R.E. Chambers Jr.

2413 Clayton Wichita Falls, TX 76308

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US Postal Service **Receipt for Certified Mail** W.T. & Jeanette J. Probandt

W.T. & Jeanette J. Probar 415 W. Wall Suite 2206 Midland, TX 79701

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The Riggs-Mills Limited P.O. Box 230430 Anchorage, AK 99523-0430

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US Postal Service **Receipt for Certified Mail** No Insurance Countries Provided Dora W. Payne

Dora W. Payne 1501 Elizabeth Blvd. Fort Worth, TX 76110-2551

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US Postal Service Receipt for Certified Mail

Preston B. Hanks 16009 W. Dorman Dr. Austin, TX 78717-4804

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US Postal Service **Receipt for Certified Mail** No Insurance Coverage Provided Roger C. Hanks Jr. 6308 B Taggart Houston, TX 77007-2052

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US Postal Service **Receipt for Certified Mail** Graham Hanks Hamilton Young 3004 Oak Bend

Round Rock, TX 78681

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US Postal Service Receipt for Certified Mail

Carl C. & Gladys A. Foster 1707 Northgate Place Artesia, NM 88210

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US Postal Service **Receipt for Certified Mail** No Insurance Coverage Provided. Corrine Desadier 1022 Linton Bellvue Rd. Benton, LA 71006

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Dorothy G. Foster P.O. Box 671 Nampa, ID 83653-0671



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US Postal Service **Receipt for Certified Mail** No Insurance Coverage Provided Linda K. Guinan

Linda K. Guinan 1818 Booker Ave. Artesia, NM 88210

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US Postal Service **Receipt for Certified Mail** No Insurance Coverage Provided Kim M. Murdock 581 Thorbush Trace Lawrenceville, GA 30245-4779



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US Postal Service **Receipt for Certified Mail** Thomas Lee Murdock

Thomas Lee Murdock 317 Harris St. Newport, OH 45768

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US Postal Service Receipt for Certified Mail

Roy A. Moore Estate Betty June Lackey, Personnal Rep. 110 Skinner Rd. Carlsbad, NM 88220

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US Postal Service Receipt for Certified Mail

Thomas M. Scott Jr. 1902 S. Concho San Angelo, TX 76904

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US Postal Service **Receipt for Certified Mail** Wayne Scott 2113 Mesquite Lane San Angelo, TX 76904

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US Postal Service Receipt for Certified Mail

Charles Henry Smith 1504 Bullock Ave. Artesia, NM 88210

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US Postal Service **Receipt for Certified Mail** No Insurance Courses Bround of Mail Henry Terpening

3612 Castleberry Rd. Artesia, NM 88210



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US Postal Service **Receipt for Certified Mail** No Insurance Coverage Provided Clay Thornton

Clay Thornton 10603 N. MacArthur Blvd. #1219 Irving, TX 75063

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US Postal Service **Receipt for Certified Mail** No Insurance Constant Devided Travis Wilson

Travis Wilson 15 Evergreen Ave. West Port, CT 06880

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US Postal Service Receipt for Certified Mail

Jessica Wilson #20 Third Street East Norwalk, CT 06855

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Storage and Measurement Facility

Federal Lease: NM-045276