

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Division
311 S. 1st St.
Artesia, NM 88210-2834

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

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 S. 4th Street, Artesia, NM 88210 (505) 748-1471

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

1980' FNL & 1980' FWL, (Unit F, SENW) Sec. 26-T20S-R24E

5. Lease Designation and Serial No.

NM-43625

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Saguaro AGS Fed. Com #3

9. API Well No.

30-015-20396

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

11. County or Parish, State

Eddy Co., 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 Surface Commingling & Storage

☐ 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 direction 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 surface commingling and off lease storage and measurement.

Please see attached application.

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

Signed Pamela S. Evans

Title Production Secretary

Date 4/13/98

(This space for Federal or State office use)

(ORIG. SGD.) DAVID R. GLASS

Title PETROLEUM ENGINEER

Date APR 22 1998

Conditions of approval, if any:

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.

CONDITIONS OF APPROVAL

*See Instruction on Reverse Side

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

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

Yates Petroleum Corporation (Operator's Name) is requesting approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-43625; Lease Name: Saguaro AGS Federal Com.

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>3</u>	<u>F</u>	<u>26</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>
<u>10</u>	<u>C</u>	<u>26</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>

with hydrocarbon production from the following formation(s) and well(s) on a Federal lease: Conoco AGK Federal Com.

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>6</u>	<u>K</u>	<u>26</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>
<u>16</u>	<u>H</u>	<u>27</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>

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

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Saguaro AGS Fed. Com #3</u>	<u>2.36</u>	<u>50</u>	<u>202.68</u>
<u>Saguaro AGS Fed. Com #10</u>	<u>.1785</u>	<u>50</u>	<u>64.04</u>
<u>Conoco AGK Fed. Com #6</u>	<u>4.4</u>	<u>50</u>	<u>225.64</u>
<u>Conoco AGK Fed. Com #16</u>	<u>.7857</u>	<u>50</u>	<u>607.64</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 SE1/4, Sec. 26, T20S, R24E, Federal lease Saguaro Federal Com #3 Eddy Co. NM. 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:

Continued.

Continued:

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 volume will be allocated back to individual wells based 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 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 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 if we have not already done so.

Signature: Pamela S. Evans

Name: Pamela S. Evans

Title: Production Clerk

Date: April 13, 1998

LEASE NO. NM 43625

CONOCO "AGK" FED
() 16

27

SAGUARO AGS SAGUARO "AGS" FD CONOCO "AGK" FD
() 16 ● 10 ● 4

● 5

CONOCO "AGK" FED

SAGUARO AGS
() 17



SAGUARO AGS ● 3

● 2

● 8

CONOCO "AGK" FED CONOCO "AGK" FD

26

CONOCO "AGK" FED CONOCO "AGK" FED CONOCO "AGK" FED
● 6 ● 11 ● 3
CONOCO AGK () 13

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● 15 ● 9



MEASUREMENT & STORAGE
FACILITY

YATES PETROLEUM CORPORATION

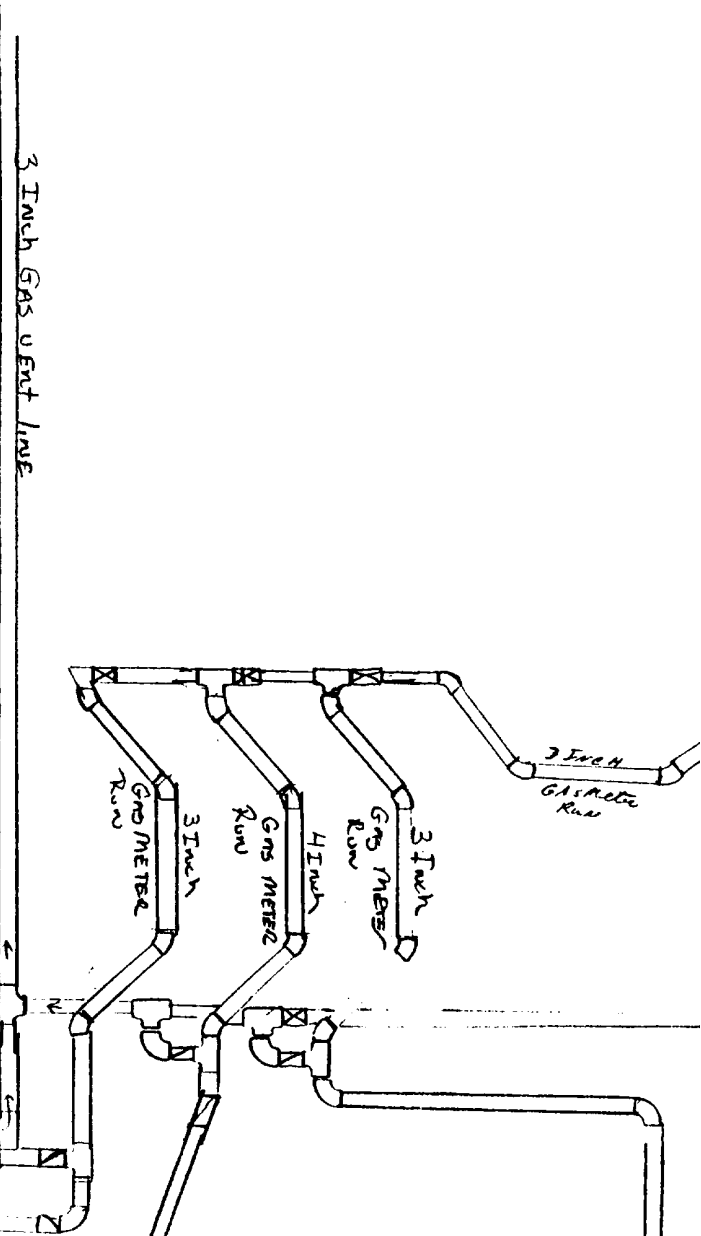
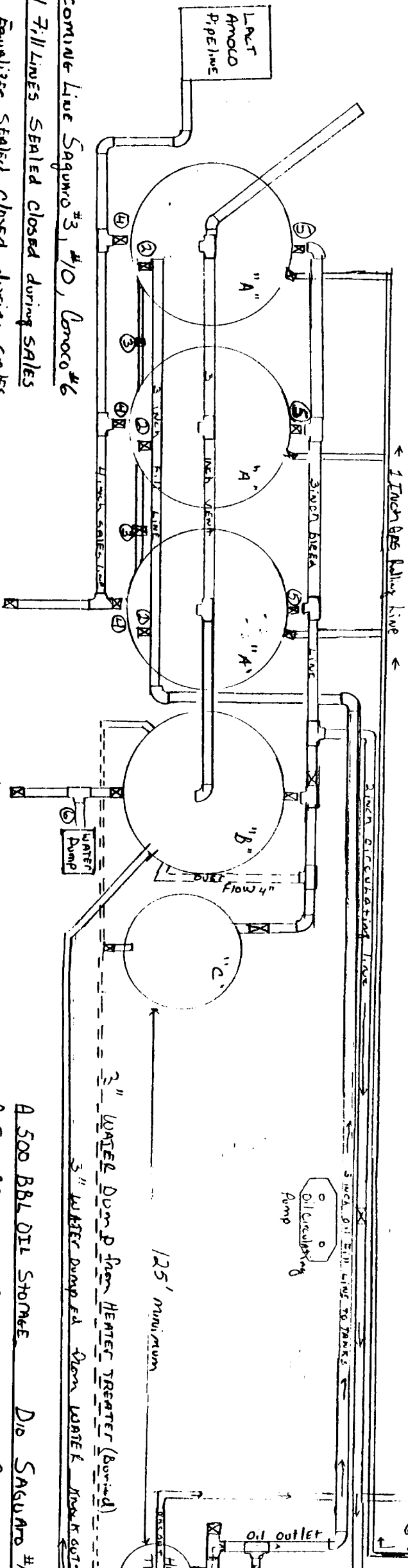
NEW MEXICO
DAGGER DRAW
20s24s Sec. 26, 27

Price of operator oil	3/27/86	P. Evans
Price received per bbl	Scale 110000	\$ Dollars

County: Cady, 10.11
Jan. 1 1998

YATES Petro. Corp.

- ① Incoming Line Saguro #3, #10, Conoco #6
- ② Oil Fill Lines Sealed closed during sales
- ③ Oil Equalizer Sealed closed during sales
- ④ Oil Sales Sealed closed except during sales



A 500 BBL OIL STORAGE DIE SAGURO #1
A 500 BBL WATER STORAGE E.C. CONOCO #6
OIL CIRCULATING PUMP