

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL & GAS COMMISSION  
Drawer DD  
Artesia, NM 88210

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. Fee Lease NM 045274
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 105 South 4th St., Artesia, NM 88210	7. If Unit or CA, Agreement Designation NMNM 84614
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 725' FWL of Section 12-T20S-R24E (Unit M) FEB 10 1994	8. Well Name and No. Ceniza AGZ Com #2
	9. API Well No. 30-015-26466
	10. Field and Pool, or Exploratory Area North Dagger Draw Upper Penn
	11. County or Parish, State Eddy Co., NM

2. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Off-Lease Storage & Measurement & Surface Commingling
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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.)\*

Please see the attached form for the off-lease storage and measurement and surface commingling of the following four (4) wells:

Ceniza AGZ Com #2  
660' FSL & 725' FWL (Unit M)  
Section 12-T20S-R24E  
Eddy County, New Mexico  
Fee Lease/CA No.: NMNM84614

Ceniza AGZ Com #3  
1980' FNL & 660' FWL (Unit E)  
Section 13-T20S-R24E  
Eddy County, New Mexico  
Fee Lease/CA No.: NMNM 84636

Ceniza AGZ Com #4  
1730' FSL & 660' FWL (Unit L)  
Section 12-T20S-R24E  
Eddy County, New Mexico  
Fee Lease/ CA No.: NMNM84614

Hillview AHE Federal Com #7  
660' FSL & 660' FWL (Unit M)  
Section 13-T20S-R24E  
Eddy County, New Mexico  
NM 86241/CA No.: NMNM 84638

Battery is located at the Ceniza AGZ Com #2 location. Please see attached map and site facility diagram.

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

Signed Rusty Klen Title Production Clerk Date Jan. 12, 1994

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh Title Petroleum Engineer Date 2/4/94  
Conditions of approval, if any:

Subject to  
Like Approval  
By State

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.

\*See Instruction on Reverse Side

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,  
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management  
P. O. Box 1778  
Carlsbad, New Mexico 88221-1778

Yates Petroleum Corp. (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. CA NMNM84614 ; Lease Name: Ceniza AGZ Com

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>2</u>	<u>M</u>	<u>12</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>4</u>	<u>L</u>	<u>12</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and  
well(s) on Federal lease No. CA NMNM 84636 ; Lease Name: Ceniza AGZ Com  
CA NMNM 84638 Hillview AHE Fed. Com

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>AGZ #3</u>	<u>E</u>	<u>13</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AHE #7</u>	<u>M</u>	<u>13</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Production from the wells involved is as follows:

	<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
NMNM84614	<u>Ceniza AGZ Com #2</u>	<u>4</u>	<u>40.9</u>	<u>38</u>
NMNM84614	<u>Ceniza AGZ Com #4</u>	<u>49</u>	<u>40.9</u>	<u>151</u>
NMNM84636	<u>Ceniza AGZ Com #3</u>	<u>2</u>	<u>40.9</u>	<u>30</u>
NMNM84638	<u>Hillview AHE Fed Com #7</u>	<u>1</u>	<u>40.9</u>	<u>0</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continued ...

Continued:

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

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

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

The storage and measuring facility is located at SW/4 -1/4, Sec. 12, T 20 S, R 24 E E, on lease No. CA NMNM84614 Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

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

Oil from each individual well will be measured by positive displacement, temperature compensated metering equipment prior to commingling on the surface.  
Gas from the wells will also be metered separately.

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 proposed commingling is necessary for continued operation of the above referenced Federal leases.

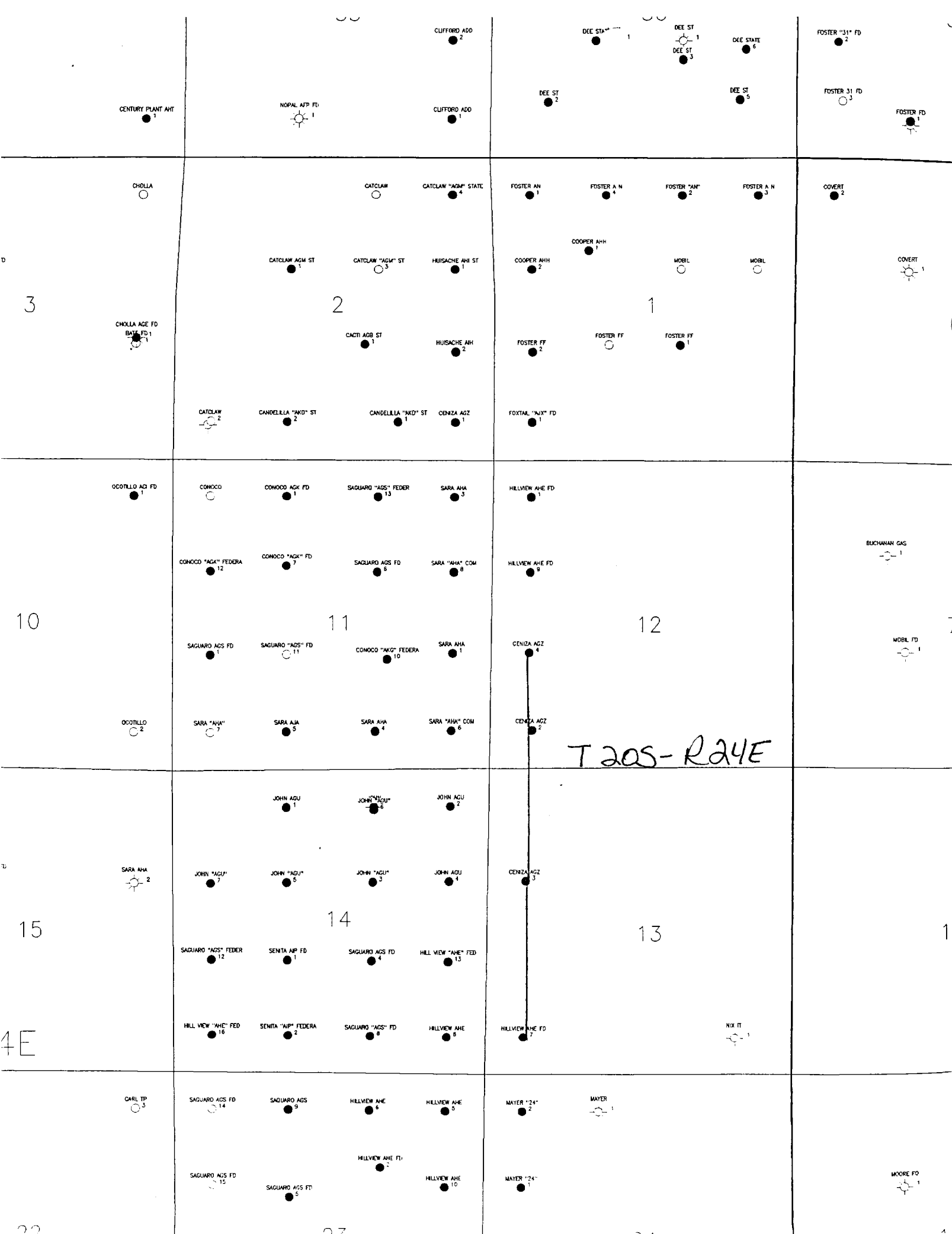
We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done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

Signature: Rusty Klein

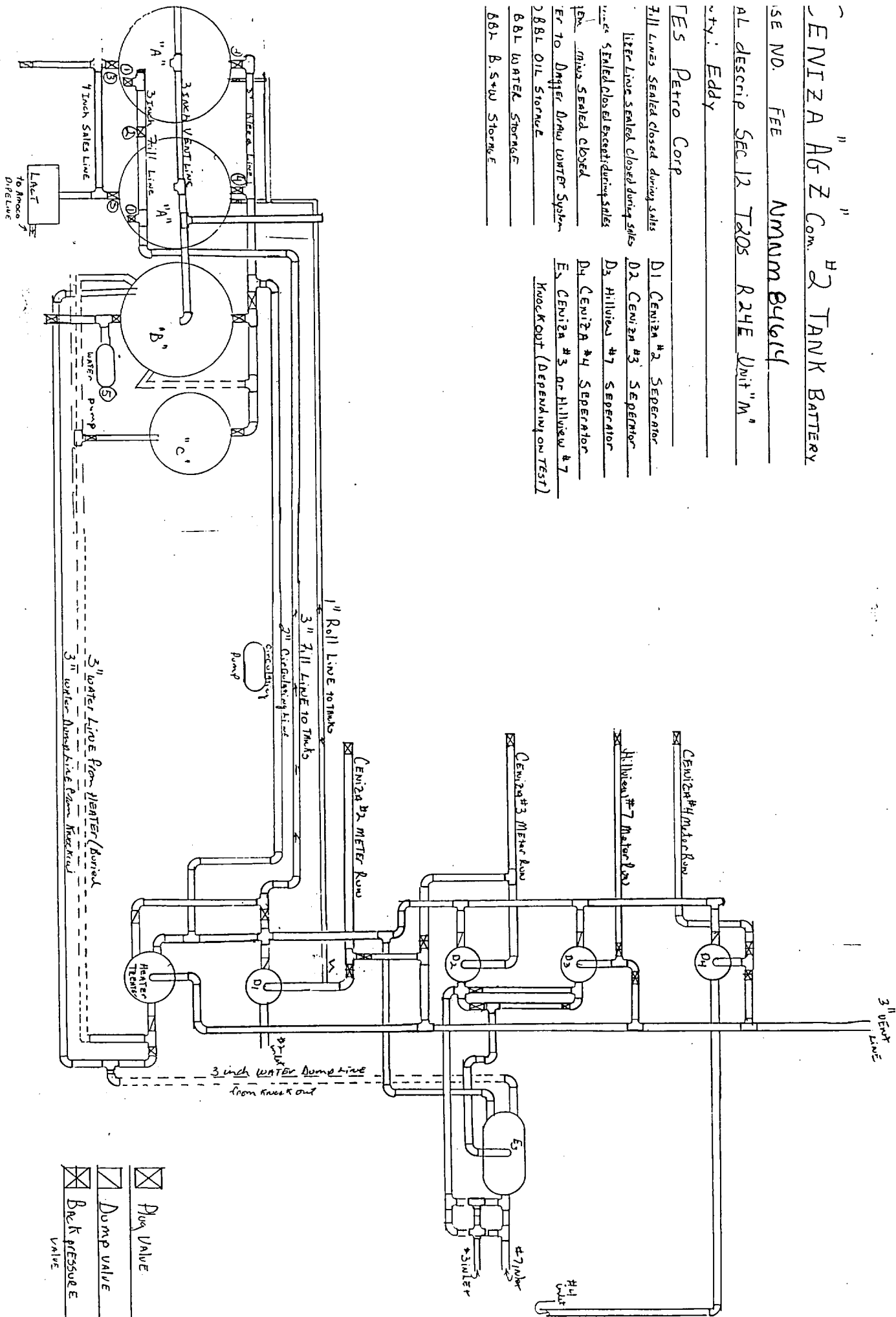
Name: Rusty Klein

Title: Production Clerk

Date: January 12, 1994



D1 Ceniza #2 Separator  
D2 Ceniza #3 Separator  
D3 Hillview #7 Separator  
D4 Ceniza #4 Separator  
E5 Ceniza #3 or Hillview #7  
Knockout (Dependency on Test)



<input checked="" type="checkbox"/>	Plug Valve
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✓ Dump valve

Back pressure valve
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