

AMEND CTB 5/18/98

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 24, 1998

Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429
Attn: Lori Wrotenbery

Re: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement.
Dagger Draw Upper Penn, North Pool
Eddy County, New Mexico

Dear Ms. Wrotenbery,

Yates Petroleum Corporation respectfully requests administrative approval to amend Ammended Commingling Order CTB-409 (a copy of which is attached), to add the following well(s).

State K #1
1980' FWL & 660' FSL
Unit N, SESW
Sec. 28-T19S-R25E
Eddy County, NM
State Lease No. K-6096

The production from this well is transported prior to measurement to a common tank battery, located at the State K #3 (Unit K, Section 28-T19S-R25E).

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.

Because working interests for the wells are different, oil from each of the wells will be measured by positive displacement temperature compensated metering equipment prior to surface commingling. Gas from the wells will also be metered separately. This metering will ensure that all production from each of the wells is equitably accounted for with no significant effect on your revenue. The production is from the same producing zone which is the Canyon.

In accordance with the Oil Conservation Division Rules 303-B, 309-B and 309-C, the following diagrams and maps are attached for your information:

A map showing the location of the wells.

A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual of Installation and Operation of Commingling Facilities".

Notification of working interest, royalty interest and overriding royalty interest owners.

If you should have any questions or need further information, please give me a call at (505) 748-4178 (direct line).

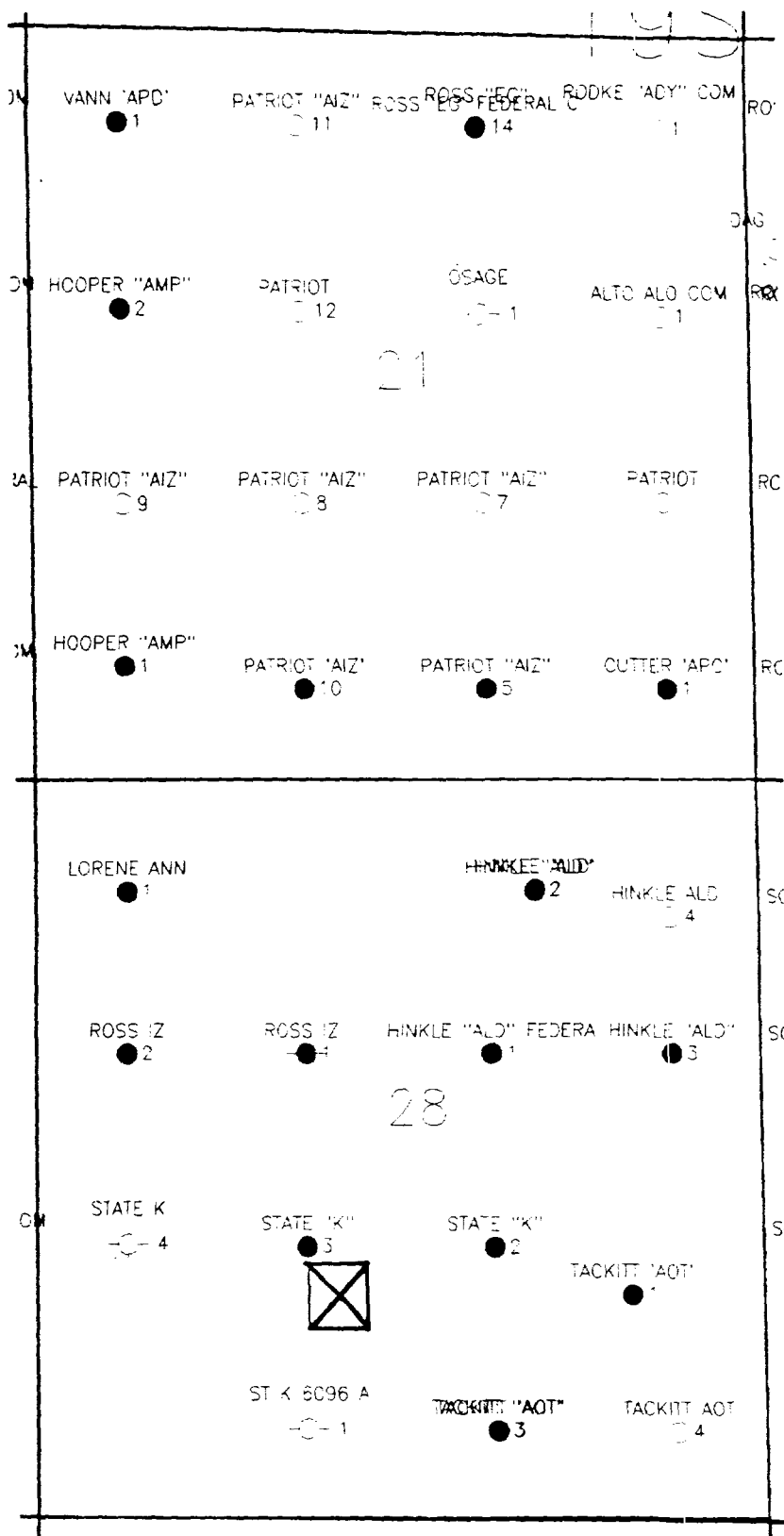
Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Pamela S. Evans". The signature is written in a cursive style with a large, stylized 'P' and 'E'.

Pamela S. Evans
Production Secretary

PE
Attachments



Storage & Measurement
Facility

State Lease No: K-6096

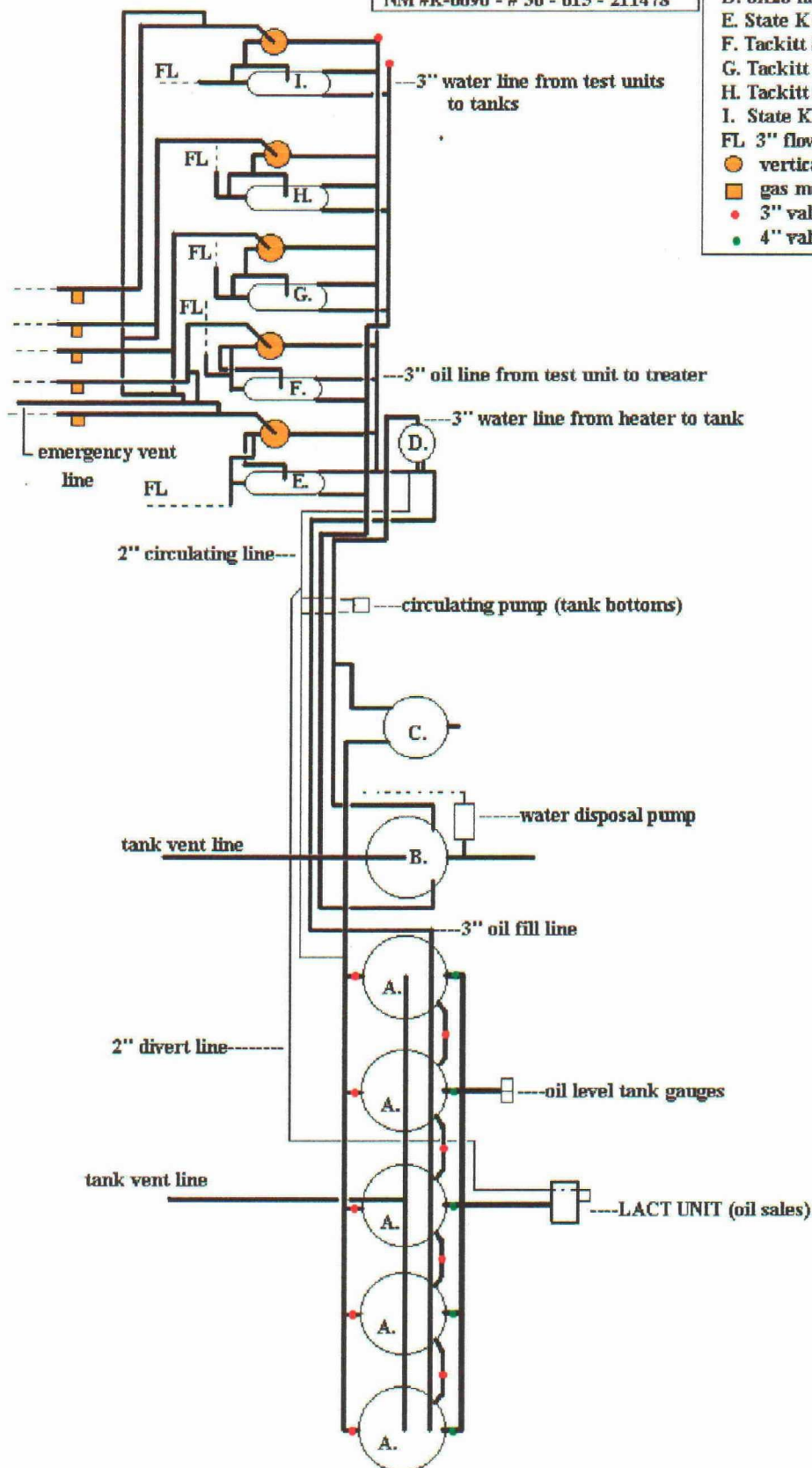
YATES PETROLEUM CORPORATION

**NEW MEXICO
DAGGER DRAW
19s25e Sec. 21, 28**

Pres: dd operator-ff	3/23/08	P. Evans
Pres: sddcon.gri	Scale 1:10000.	S. Davidson

State K #3
 1980' FSL & 1980' FWL
 Sec. 28 - T 19 S - R 25 E EDDY CO.
 NM #K-6096 - # 30 - 015 - 211478

- A. 500 bl. metal oil stock tank
- B. 500 bl. fiberglass water tank
- C. 250 bl. bs+w fiberglass tank
- D. 6X20 heater treater
- E. State K #3 horizontale 3-phase test unit
- F. Tackitt #1 horizontale 3-phase test unit
- G. Tackitt #3 horizontale 3-phase test unit
- H. Tackitt #2 horizontale 3-phase test unit
- I. State K #1 horizontale 3-phase test unit
- FL 3" flow lines
- vertical 2-phase gas seperators
- gas meters (gas sales)
- 3" valves sealed closed or open for sales
- 4" valves sealed closed or open for sales



Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

Curtis W. Mewbourne
P.O. Box 7698
Tyler, TX 75711

Helen B. Melton
112 S. Mesquite
Carlsbad, NM 88220

Karen Tackitt
401 North 2nd
Carlsbad, NM 88220

TC/MAP 1996-A
c/o Texas Commerce Bank
P.O. Box 910864
Dallas, TX 75391-0864

Rosemary Williams
5105 Arbor Glen
The Colony, TX 75056

Brent Watson Oil & Gas Investments
P.O. Box 50308
Midland, TX 70710-0308

Feagan Energy
P.O. Box 50307
Midland, TX 70710-0307

Fred N. Reynolds
500 Throckmorton, Suite 2805
Fort Worth, TX 76102-3815

Vintage Petroleum, Inc.
4200 One Williams Center
Tulas, OK 74172-0153
Attn: Paula LaRue

Elizabeth Ann Kirkpatrick
P.O. Box 641
Artesia, NM 88210

Barbara J. Runyan
P.O. Box 1415
Hope, NM 88250

Catherine P. Lewis
P.O. Box 1547
Artesia, NM 88241

Charles E. Nearburg
P.O. Box 841585
Dallas, TX 75284-1585

Nearburg Producing Company
P.O. Box 841585
Dallas, TX 75284-1585

Jerry Elger
P.O. Box 2623
Midland, TX 79701-2623

Langdale Corporation
P.O. Box 3189
Palo Verdes, CA 90274-3189

Ruthea, Inc.
590 Cricketfiled Court
Thousand Oaks, CA 91361

Stephen Rhett Gist
401 W. Texas, Suite 1003
Midland, TX 79701

RRS Oil, Inc.
401 W. Texas, Suite 1993
Midland, TX 79701

Leonard Charles Sammons
401 W. Texas, Suite 1003
Midland, TX 79701

James Christopher Statton
401 W. Texas, Suite 1993
Midland, TX 79701

Ben D. Taylor
401 W. Texas, Suite 1003
Midland, TX 79701

TXW Oil, Inc.
401 W. Texas, Suite 1993
Midland, TX 79701

Edward Morris Bakwin
801 West Madison
Chicago, IL 60607

Board of Trustees
Leland Stanford Jr. University
2770 Sand Hill Rd.
Menlo Park, CA 94205

The Blackbill Trust
Robert M. Blackbill
9148 Clearlake Dr.
Dallas, TX 75225

Donald F. Duncan
318 NW 17th
Oklahoma City OK 73103

Hutlas Management Trust
Edward J. Hutlas
P.O. Box 12833
Dallas, TX 75240

KNW Oil & Gas, Inc.
401 W. Texas, Suite 1003
Midland, TX 79701

Marshall Leaf Trust
Marshall S. Leaf
1515 N. Dearborn Parkway
Chicago, IL 60610

Phil K. Fleetwood
P.O. Box 407
Marlow, OK 73055

Pug Petroleum, Inc.
401 W. Texas, Suite 1003
Midland, TX 79701

R & J Oil, Inc.
5769 N. Belt Line Rd.
Dallas, TX 75240

Dick Rundle
6530 Covercreek Place
Dallas, TX 75240

P 059 489 066

US Postal Service

Receipt for Certified Mail

Curtis W. Mewbourne

P.O. Box 7698

Tyler, TX 75711

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date AK #3 4-17-98	

P 059 489 067

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Helen B. Melton
112 S. Mesquite
Carlsbad, NM 88220

PS Form 3800, April 1995

Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-10-98	

P 059 489 068

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Karen Tackitt

401 North 2nd

Carlsbad, NM 88220

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K#3 4-17-98	

P 059 489 069

US Postal Service

Receipt for Certified Mail

Rosemary Williams

5105 Arbor Glen

The Colony, TX 75056

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 057 487 070

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Brent Watson Oil & Gas Investments

P.O. Box 50308

Midland, TX 70710-0308

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date ST-K #3 4-17-98	

P 059 489 071

US Postal Service

Receipt for Certified Mail

Feagan Energy
P.O. Box 50307
Midland, TX 70710-0307

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St.K#3 4-17-98	

P 059 489 072

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Fred N. Reynolds

500 Throckmorton

Suite 3805

Fort Worth, TX 76102-3815

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date ST-K #3 4-17-98	

P 059 489 073

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Vintage Petroleum, Inc.
4200 One Williams Center
Attn: Paula LaRue
Tulsa, OK 74172-0153

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 074

US Postal Service

Receipt for Certified Mail

Elizabeth Ann Kirkpatrick

P.O. Box 641

Artesia, NM 88211-0641

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 075

US Postal Service

Receipt for Certified Mail

Insurance Coverage Provided

Barbara J. Runyan

P.O. Box 1415

Hope, NM 88250

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>St. K #3 4-17-98</i>	

P 059 489 076

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

Catherine P. Lewis

P.O. Box 1547

Artesia, NM 88211-1547

PS Form 3800 April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date ST.K #4 4-17-98	

P 059 489 077

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Charles E. Nearburg

P.O. Box 841585

Dallas, TX 75284-1585

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 078

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

Nearburg Producing Company

P.O. Box 841585

Dallas, TX 75284-1585

P.S. Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St.K#3 4-17-98	

P 059 489 079

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Jerry Elger

P.O. Box 2623

Midland, TX 79701-2623

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St K #g 4-17-98	

P 057 487 060

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

Langdale Corporation

P.O. Box 3189

Palo Verdes, CA 90274-3189

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date S.K #3 4-17-98	

P 059 489 081

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Ruthea, Inc.
590 Cricketfield Court
Thousand Oaks, CA 91361

PS Form 3800 April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
SK#3 4-17-98	

P 059 489 082

US Postal Service

Receipt for Certified Mail

Stephen Rhett Gist

401 W. Texas

Suite 1003

Midland, TX 79701

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 083

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

RRS Oil, Inc.
401 W. Texas
Suite 1993
Midland, TX 79701

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date ST-K #3 4-17-98	

P 059 489 084

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Leonard Charles Sammons
401 W. Texas
Suite 1003
Midland, TX 79701

PS Form 3800, April 1995

Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K#3 4-17-98	

P 059 489 085

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

James Christopher Statton
401 W. Texas
Suite 1993
Midland, TX 79701

PS Form 3800 April 1995

Postage	ψ
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 086

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See instructions)

Ben D. Taylor

401 W. Texas

Suite 1003

Midland, TX 79701

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date SK#3 4-17-98	

P 059 489 087

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Postage for International Mail (See reverse)

TXW Oil, Inc.
401 W. Texas
Suite 1993
Midland, TX 79701

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St K #3 4-17-98	

P 059 489 088

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Edward Morris Bakwin

801 West Madison

Chicago, IL 60607

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K#3 4-17-98	

P 059 489 089

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Leland Stanford Jr. University

Board of Trustees

2770 Sand Hill Rd

Menlo Park, CA 94205

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St-K #3 4-17-98	

P 059 489 090

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

The Blackbill Trust
Robert M. Blackbill
9148 Clearlake Dr.
Dallas, TX 75225

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>St. K #3</i> <i>4-17-98</i>	

P 059 489 091

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Donald F. Duncan
318 NW 17th
Oklahoma City, OK 73103

PS Form 3800 April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 092

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Postage for International Mail (See envelope)

Hutlas management Trust

Edward J. Hutlas

P.O. Box 12833

Dallas, TX 75240

PS Form 3800 April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St-K #3 4-17-98	

P 059 489 093

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

KNW Oil & Gas, Inc.
401 W. Texas
Suite 1003
Midland, TX 79701

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date S.K#3 4-17-98	

P 059 489 094

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

Marshall Leaf Trust
Marshall S. Leaf
1515 N. Dearborn Parkway
Chicago, IL 79701

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	4-17-98
St.K #3	

P 059 489 095

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Phil K. Fleetwood

P.O. Box 407

Marlow, OK 73055

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	4-17-98

St. K #3

P 059 489 096

US Postal Service

Receipt for Certified Mail

No Insurance

Pug Petroleum, Inc.

401 W. Texas

Suite 1003

Midland, TX 79701

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 4-17-98 St. K #3	

P 059 489 097

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

R & J Oil, Inc.
5769 N. Belt Line Rd.
Dallas, TX 75240

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date ST-K#3 4-17-98	

P 059 489 098

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Dick Rundle

6530 Covercreek Place

Dallas, TX 75240

PS Form 3800, April 1995

Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date St. K #3 4-17-98	

P 059 489 099

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Texas Commerce Bank

TC/MAP 1996-A

P.O. Box 910864

Dallas, TX 75391-0864

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date S.K.#3 4-17-98	