



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

(505) 827-5760
FAX (505) 827-5766

February 14, 1996

SANTA FE, NEW MEXICO 87504-1148

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Ms. Rusty Klein

Re: Application for Surface Commingling
Lease Commingling, Off-Lease Storage & Measurement
Dagger Draw Upper Penn, North Pool
S/2 Sec. 29-19S-25E
Eddy County, New Mexico

Dear Ms. Klein:

We have received your application requesting approval for surface commingling, lease commingling, off-lease storage and measurement for the following wells: Boyd X State Com Well Nos. 2 and 4, Aspden AOH Federal Com Well Nos. 1 and 2 and the Boyd X State Well Nos. 3, 5 and 6.


We understand that the above mentioned wells are producing from the Canyon zone and that the production will be measured separately prior to surface commingling.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/LK/pm

cc: Reader File
OCD-Attn: Mr. David Catanach

CTB 3-4-96

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



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

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TREASURER

February 7, 1996

Oil Conservation Division
P. O. Box 6429
Santa Fe, NM 87505-6429

ATTENTION: Mr. Ben Stone

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

Dear Ben:

Yates Petroleum Corporation respectfully requests administrative approval for surface commingling, lease commingling, lease commingling, off-lease storage and measurement for the following wells: Boyd X State Com #2, Boyd X State Com #4, Aspden AOH Federal Com #1 and the Aspden AOH Federal Com #2 (all covered under Com Agreement No.: NMNM88509) and the Boyd X State #3, Boyd X State #4 and the Boyd X State #6 (all under State Lease No.: E-10167. Please see Attachment I for a complete description of the well.

The production from all of these wells will be transported prior to measurement to a common tank battery located at the Boyd X State Com #2 location (NWSW of Section 29-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.

Surface Commingling, Etc.

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February 7, 1996

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

Attachment II	A map showing the location of the wells
Attachment III	A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities".
Attachment IV	Notification of working interest, royalty interest and overriding royalty interest owners
Attachment V	Notification to the Commissioner of Public Lands Notification to the Bureau of Land Management - Carlsbad (via copy of this letter)

If you should have any questions or need further information, please give me a call at 505-748-4205 (direct line).

Thank you for your cooperation.

Sincerely,



Rusty Klein
Production Clerk

rk

Attachments

BOYD X STATE COM #2 BATTERY

ATTACHMENT I

Boyd X State Com #2
1980' FSL & 860' FWL
Unit L, NWSW
Section 29-T19S-R25E
Eddy County, New Mexico
State Lease No.: E-10167
CA No.: NMNM88509

Aspden AOH Federal Com #1
660' FSL & 660' FWL
Unit M, SWSW
Section 29-T19S-R25E
Eddy County, New Mexico
Lease No.: NM-0559175
CA No.: NMNM88509

Boyd X State #3
1980' FSL & 1980' FEL
Unit J, NWSE
Section 29-T19S-R25E
Eddy County, New Mexico
State Lease No.: E-10167

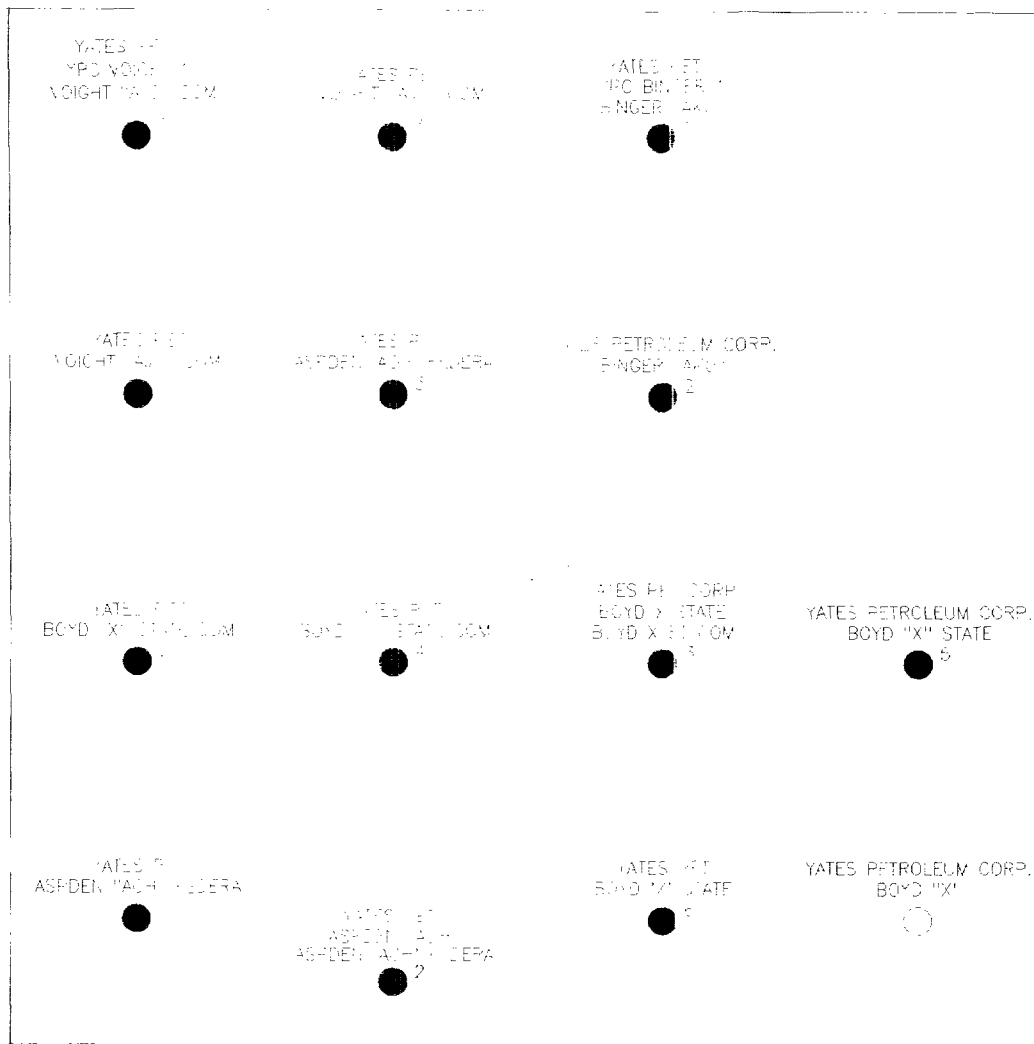
Boyd X State #6
660' FSL & 1980' FEL
Unit O, SWSE
Section 29-T19S-R25E
Eddy County, New Mexico
State Lease No.: E-10167

Boyd X State Com #4
1980' FSL & 1980' FWL
Unit K, NESW
Section 29-T19S-R25E
Eddy County, New Mexico
State Lease No.: E-10167
CA No.: NMNM88509

Aspden AOH Federal Com #2
330' FSL & 1980' FWL
Unit N, SESW
Section 29-T19S-R25E
Eddy County, New Mexico
Lease No.: NM-0559175
CA No.: NMNM88509

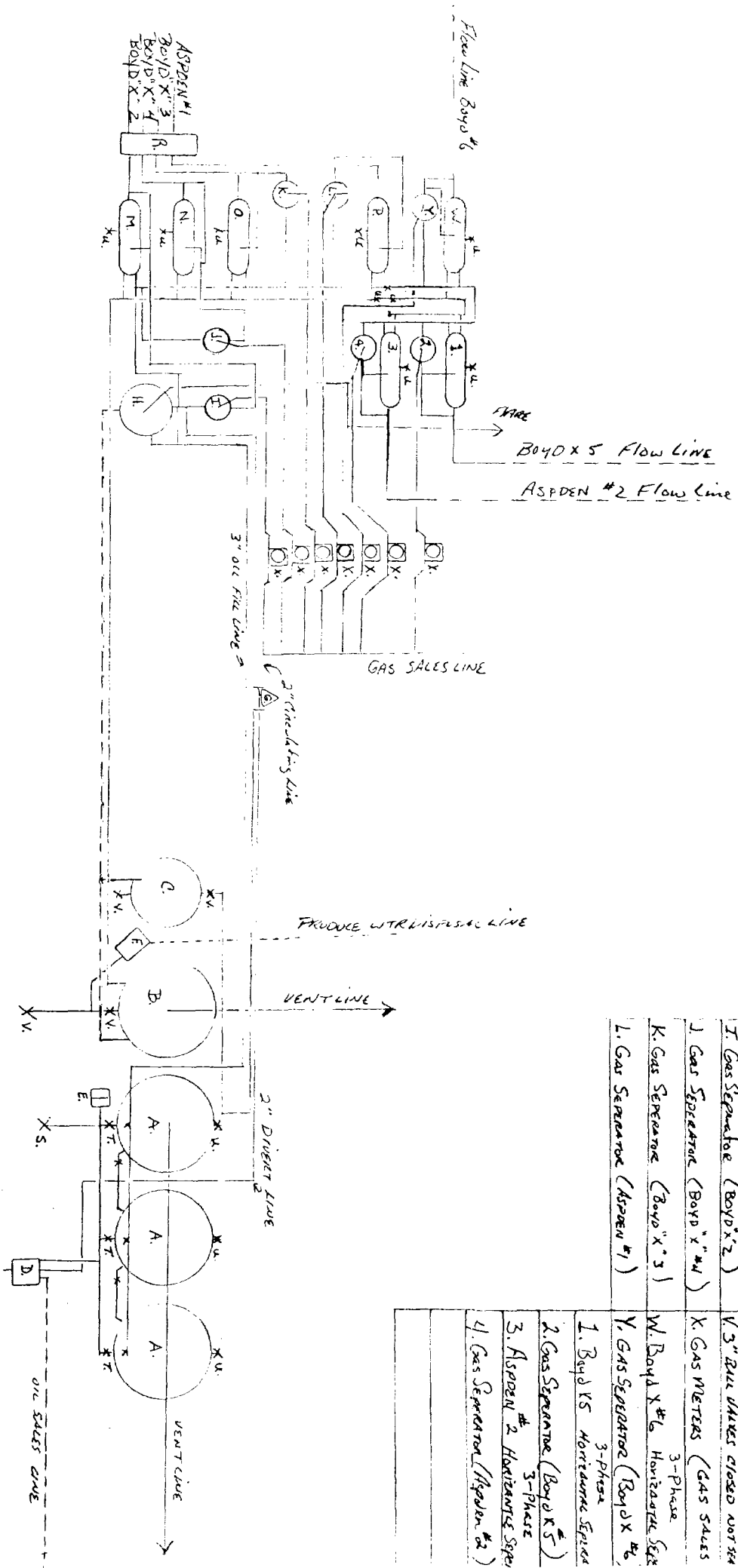
Boyd X State #5
1980' FSL & 660' FEL
Unit I, NESE
Section 29-T19S-R25E
Eddy County, New Mexico
State Lease No.: E-10167

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ATTACHMENT II

BOYD "X" STATE COM #2
 ASPDEN #1
 1980 FSL + 860 FSL
 SEC 29-19 S-25E.
 EDDY Co. LHM-#E-10167



A. 500 BL. METAL STOCK TANK	M. Boyd "X" 2 HORIZONTAL SEPARATOR
B. 500 BL. FIBERGLASS WATER TANK	N. Boyd "X" 4 HORIZONTAL SEPARATOR
C. 210 BL. FIBERGLASS WATER TANK	O. Boyd "X" 3 HORIZONTAL SEPARATOR
D. LACT UNIT (FOR THE SALES)	P. ASPDEN #1 HORIZONTAL SEPARATOR
E. OIL LEVEL GAUGES	R. FLOWLINE HEATER
F. PRODUCE WATER PUMP	S. 4" BALL VALVE STAINED
G. 35HP CIRCULATING PUMP	T. 3" BALL VALVE (CONCRETE SALES OPEN FOR BRIDGE ON WORK)
H. HEATER TANK 6'x20'	U. 3" BALL VALVES CLOSED NOT FOR
I. GAS SEPARATOR (Boyd "X" 2)	V. GAS METERS (GAS SALES)
J. GAS SEPARATOR (Boyd "X" 4)	W. Boyd "X" 6 HORIZONTAL SEPARATOR
K. GAS SEPARATOR (Boyd "X" 3)	X. GAS SEPARATOR (Boyd "X" 6)
L. GAS SEPARATOR (ASPDEN #1)	Y. GAS SEPARATOR (Boyd "X" 5)
	Z. 3-Phase Separator (Boyd "X" 5)
	1. Boyd "X" 5 HORIZONTAL SEPARATOR
	2. Gas Separator (Boyd "X" 5)
	3. ASPDEN #2 HORIZONTAL SEPARATOR
	4. Gas Separator (ASPDEN #2)

ATTACHMENT IV

Working Interest, Royalty Interest and Overriding Royalty Interest Onwers:

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

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

The Betty Anderson Aspden Family Living Trust
Betsy Aspden Hurty & Barbara Gibbons, Successor Co-Trustees
1357 Ambassador Way
Salt Lake City, UT 84108

Z 144 0013 434



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Commissioner of Public Lands</i>	
Street and No. <i>P.O. Box 1148</i>	
P.O. State and ZIP Code <i>Santa Fe, NM 87504-1148</i>	
Name <i>Mrs. Pete Martinez</i>	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Feb. 7, 1996</i>	
<i>Off lease - Boyd - Aspen</i>	

PS Form 3800, March 1993

Z 149 003 435



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Sent to <i>Bureau of Land Management</i>	
Street and No. <i>P.O. Box 1778</i>	
City, State and ZIP Code <i>Chulsoad, NM 88221-1778</i>	
Name <i>Mr. Jim Amco</i>	
Postage \$	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Feb. 7, 1996</i>	
<i>86-leave - Boys - Lippin</i>	

PS Form 3800, March 1993

2 149 003 430



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Sent to <i>Charles E. Neerlung</i>	
Street and No. <i>P.O. Box 841585</i>	
P.O., State and ZIP Code <i>Dallas, TX 75284-1585</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Feb. 7, 1996</i> <i>off lease - Boyd : Aspen</i>	

PS Form 3800, March 1993

2 149 003 431



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City and State <i>P.O. Box 841585</i>	
Post Office and ZIP Code <i>Dallas, TX 75284-1585</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Feb. 7, 1996</i> <i>off-lease - Boyd & Aspin</i>	

PS Form 3800, March 1993

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**Receipt for
Certified Mail**

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Betty Anderson Cooper Family Day Out
Sent to *B. Huntz & B. Gibbons, Trustees*

Street and No. *1357 Ambassador Way*

P.O., State and ZIP Code *Salt Lake City, UT 84108*

Postage \$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing
to Whom & Date Delivered

Return Receipt Showing to Whom
Date, and Addressee's Address

TOTAL Postage
& Fees \$

Postmark or Date
Feb. 7, 1996
off-lease - Boyd & Usden

PS Form 3800, March 1993