

CTB 2/17/97
444

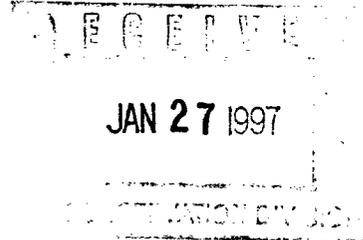
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

S. P. YATES
CHAIRMAN OF THE BOARD
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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 23, 1997



Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429
ATTN: Mr. William J. Lemay

Re: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement.
Red Tank Bone Spring Pool
Lea County, New Mexico

Dear Mr. Lemay,

Yates Petroleum Corporation respectfully requests administrative approval for surface commingling, lease commingling, off-lease storage and measurement for the following wells:

Thyme APY Federal #1 330' FNL & 1650' FEL Unit B, NWNE Section 1-T23S-R32E Lea County, New Mexico	Thyme APY Federal #2 1650' FNL & 1650' FEL Unit G, SWNE Section 1-T23S-R32E Lea County, New Mexico	Thyme APY Federal #3 330' FNL & 2310' FWL Unit C, NENW Section 1-T23S-R32E Lea County, New Mexico
Coriander AOC State #1 330' FNL & 330' FEL Unit A, NENE Section 1-T23S-R32E Lea County, New Mexico	Coriander AOC State #2 1650' FNL & 330' FEL Unit H, SENE Section 1-T23S-R32E Lea County, New Mexico	

The production from this well is transported prior to measurement to a common tank battery, located at the Thyme APY Federal #1 (Unit B 330' FNL & 1650' FEL Sec. 1-T23S-R32E).

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.

ATTACHMENT IV

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

ABO Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

MYCO Industries Incorporated
105 S. Fourth Street
Artesia, NM 88210

Yates Drilling Company
105 S. Fourth Street
Artesia, NM 88210

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.

NM-81274

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Thyme APY Federal #1

9. API Well No.

3002533370

10. Field and Pool, or Exploratory Area

Red Tank Bone Spring

11. County or Parish, State

Lea, N.M.

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)

Section 1-T23S-R32E UnitB 330' FNL & 1650' FEL (NWNE)

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other Surface Commingling & Storage

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 Amelia S. Evans

Title Production Secretary

Date 1/23/97

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

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.

*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
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-81274; Lease Name Thyme APY Federal.

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>B</u>	<u>1</u>	<u>23S</u>	<u>32E</u>	<u>Red Tank Bone Spring</u>
<u>2</u>	<u>G</u>	<u>1</u>	<u>23S</u>	<u>32E</u>	<u>Red Tank Bone Spring</u>
<u>3</u>	<u>C</u>	<u>1</u>	<u>23S</u>	<u>32E</u>	<u>Red Tank Bone Spring</u>

with hydrocarbon production from the following formation(s) and well(s) on a State lease: Coriander AOC.

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>A</u>	<u>1</u>	<u>23S</u>	<u>32E</u>	<u>Red Tank Bone Spring</u>
<u>2</u>	<u>H</u>	<u>1</u>	<u>23S</u>	<u>32E</u>	<u>Red Tank Bone Spring</u>

Production from the well involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Thyme APY Federal #1</u>	<u>69</u>	<u>43.1</u>	<u>503</u>
<u>Thyme APY Federal #2</u>	<u>39</u>	<u>43.1</u>	<u>114</u>
<u>Thyme APY Federal #3</u>	<u>53</u>	<u>43.1</u>	<u>331</u>
<u>Coriander AOC State #1</u>	<u>64</u>	<u>43.1</u>	<u>176</u>
<u>Coriander AOC State #2</u>	<u>30</u>	<u>43.1</u>	<u>67</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 NWNE-1/4, Sec. 1, T 23 S, R 32 E, Federal lease Thyme APY #1, Lea County, New Mexico. 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.

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 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: _____

Name: Pamela S. Evans

Title: Production Clerk

Date: _____

CTB-444

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

April 9, 1997

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Ms. Pamela S. Evans

Re: Surface Commingling Application
Off-lease Storage and Measurement
Thyme APY Federal Well No. 1, Unit Letter B
Thyme APY Federal Well No. 2, Unit Letter G
Thyme APY Federal Well No. 3, Unit Letter C
Coriander AOC State Well No. 1, Unit Letter A
Coriander AOC State Well No. 2, Unit Letter H
Section 1-23S-32E
Red Tank Bone Spring Pool
Lea County, New Mexico

Dear Ms. Evans:

We have received your letter of March 18, 1997, wherein you requested our approval for surface commingling off-lease storage and measurement of the production from the above wells.

We understand that production from the subject wells will be commingled at the Thyme APY Federal Well No. 1 tank battery located in the NW/4NE/4 of Section 1-23S-32E. 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.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 filing fee has been received.

Yates Petroleum Corporation

April 9, 1997

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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: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

cc: Reader File

OCD--Mr. David Catanach, Mr. Ben Stone
BLM



CTB-444

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

March 10, 1997

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Ms. Pamela S. Evans

Re: Application for Surface Commingling
Thyme 'APY' Federal Well Nos. 1, 2, and 3
W/2NE/4, NE/4NW
Coriander 'AOC' State Well Nos. 1 and 2
E/2NE/4
Section 1-23S-32E
Lea County, New Mexico

Dear Ms. Evans:

We have received a copy of the New Mexico Oil Conservation Division's Order #CTB-444 which notifies this office of your application to surface commingling the production from the above-captioned wells.

Pursuant to State Land Office Rule Nos. 1.053, 1.054 and 1.055, please submit a copy of your commingling request to this office. Enclosed is a copy of our commingling rules and regulations. The filing fee for a commingling application is thirty (\$30.00) dollars.

Yates Petroleum Corporation
March 10, 1997
Page 2

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 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
cc: Reader File
OCD