

PC N/R
998

MARTIN YATES, III
1912 - 1986



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT

FRANK W. YATES
1936 - 1986

PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

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

May 10, 1999

MAY 12

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

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

Dear Ms. Wrotenbery,

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

Roden GD Federal Com #1
1980' FSL & 660' FEL
Unit I, NESE
Sec. 23-T19S-R24E
Eddy County, NM

Roden GD Federal Com #3
1980' FNL & 1980' FWL
Unit F, SENW
Sec. 24-T19S-R24E
Eddy County, NM

Roden GD Federal Com #5
810' FSL & 1980' FWL
Unit N, SESW
Sec. 24-T19S-R24E
Eddy County, NM

The production from these wells is transported prior to measurement to a common tank battery,
located at the Roden GD Federal Com #3, 1980' FNL & 1980' FWL, Unit F,
Sec. 24-T19S-R24E, Eddy County, NM.

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 and royalty interests for the wells are different, oil from each of the wells will be measured by turban 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 following formations Dagger Draw Upper Penn, North, Hoag Tank Morrow and Hoag Tank Strawn.

✓ (OIL-15472)

(GAS-7730)

(GAS-78270)

The following is enclosed:

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".

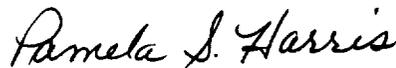
Notification of working interest, royalty interest and overriding royalty interest owners.

Notification to the Bureau of Land Management.

If you should have any questions or need further information, please give me a call at (505) 748-4201 (direct line).

Thank you for your cooperation.

Sincerely,



Pamela S. Harris
Production Clerk

PE
Attachments

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-26864
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA, Agreement Designation
- 8. Well Name and No.
Rodan GD Federal Com #3
- 9. API Well No.
30-015-26096
- 10. Field and Pool, or Exploratory Area
Hoag Tank Morrow
- 11. County or Parish, State
Eddy Co., NM

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 Section 24-T19S-R24E (Unit F, SENW)

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- 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 Amelia S. Harris

Title Production Secretary

Date 05/10/99

(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.

**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-26864; Lease Name: Roden GD Federal Com. .

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>L</u>	<u>24</u>	<u>19S</u>	<u>24E</u>	<u>Hoag Tank Morrow & Hoag Tank Strawn</u>
<u>3</u>	<u>F</u>	<u>24</u>	<u>19S</u>	<u>24E</u>	<u>Hoag Tank Morrow</u>
<u>5</u>	<u>N</u>	<u>24</u>	<u>19S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. North</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>Roden GD Fed. Com #1</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Roden GD Fed. Com #3</u>	<u>2.28</u>	<u>NA</u>	<u>97.47</u>
<u>Roden GD Fed. Com #5</u>	<u>2.28</u>	<u>NA</u>	<u>2</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 SENW-1/4, Sec. 24, T19S, R24E, Federal lease: Roden GD Federal Com #3, Eddy Co. NM. BLM will be notified if there is any future change in the facility location.

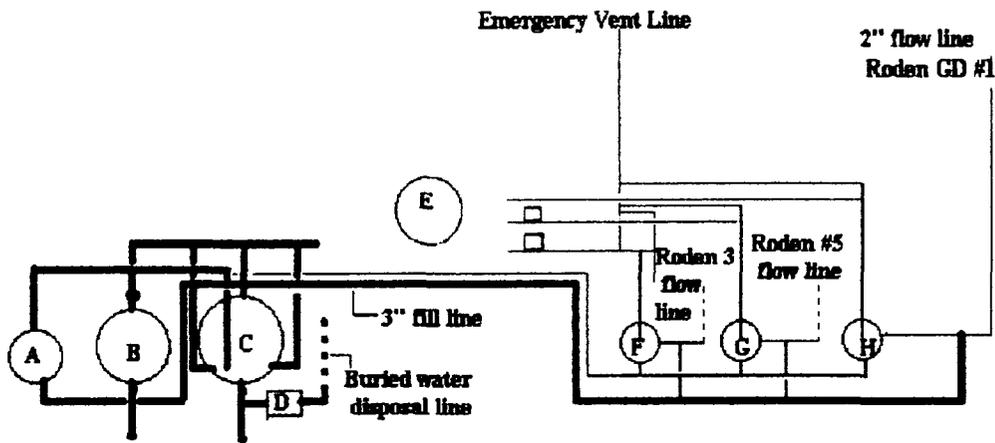
Details of the proposed method of allocating production to contributing sources is as follows:

Oil will be transported off lease prior to measurement and will be measured by turban 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.



- A.—6X20 Fiberglass Gunbarrel
- B.—210 Bbl. metal stock tank (OIL)
- C.—500 Bbl. fiberglass water tank
- D.—Water disposal pump
- E.—210 Bbl. fiberglass BS&W tank
- F.—Roden GD #3 two phase gas separator
- G.—Roden GD #5 two phase gas separator
- H.—Roden GD #1 two phase gas separator
- — Gas meters (gas sales)
- 4" valves sealed closed (opened for sales or emergency)
- 3" valves
- 3" valve sealed (opened for draining bs&w or emergency)

RODEN GD FEDERAL COM #3 BATTERY
 1980' FNL - 1980' FWL
 SEC. 24-19 S-24 E
 EDDY CO. NM LEASE # NM-26864

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. Harris

Name: Pamela S. Harris

Title: Production Clerk

Date: 5-10-99

T19S-R24E

ALLISON CO FD 6

ROUTH HU 1

ALLISON CO FD 10

BARBARA FEDARB FD 5

BARB 9

BARB FD 1

18

BARB FD 11

BARB FD 2

BARB FD 6

BARB FD 8

BARB FD 1

BARB FD 12

BARB FD 1

LEHMAN FD 1

13

ALLISON CO FD 8

MOLLY OD 2

MOLLY 1

MOLLY OD 1

FD. 1

ALLISON CO FD 11

Lease : NM-26864

Measurement & Storage Facility



KATHLEEN LYNE FD 1

COOK FD 2

DO 25 FD 4

EE FED 24 2

RODEN CO FD 3



EE FD 1

24

RODEN CO FD 1

DO FD 2

DO 24 FD 5

RODEN CO FD 3

DO FD 1

DO FD 24 3

LODCVCK A 3

LODCVCK A 1

ROSS EG FD 2

ROSS "EG" FD C 5

LODCVCK A 2

PARISH IV 4

ROSS "EG" FEDERAL C 12

DAO DRAW 4

PARISH N 1

ROSS "EG" FD 9

DAO DRAW 10

DAGGER DRAW 14

CHAMIZA AJC 1

PARISH IV 5

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

R. E. Chambers Jr.
2413 Clayton
Wichita Falls, TX 76308

Lollie Dee King Chambers
2413 Clayton
Wichita Falls, TX 76308

W.T. & Jeanette J. Probandt
415 W. Wall
Suite 2206
Midland, TX 79701

Bakersfield Investment Trust
Wade C. Morris, Trustee
P.O. Box 9604
Bakersfield, CA 93309

John C. & Virginia M. Boggs
P.O. Box 646
Fishers Island, NY 06390

CES Oil Operations, Inc.
P.O. Box 2917
Inverness, FL 34451-2917

Esther Fell Ellis
227 Beechwood Rd.
New Wilmington, PA 16142

Virginia Fell McComb Living Trust
Mary Lee Dunston, Trustee
112 N. 12th Street
Leesburg, FL 34748

George E. & Gloria J. Eng
2004 Harvard
Midland, TX 79701

John W. & Jean M. Gates, Trust
Margaret Jean Gates, Trustee
706 W. Grand
Artesia, NM 88210

R.R. Hinkle Company, Inc.
P.O. Box 59
Roswell, NM 88202-0059

William J. & Elizabeth W. Jones Trust
Wells Fargo Bank, Trustee
P.O. Box 5825
Denver, CO 80217

James H. McGivney
234 Abbey Road
Manhasset, NY 11030

John C. McGivney
14 Stratford Court
Staten Island, NY 10314

Jack W. McCaw
P.O. Box 127
Artesia, NM 88211-0127

McQuiddy Comm. & Energy, Inc.
P.O. Box 2072
Roswell, NM 88201

Hettie Jewel Page
6110 Wildwood Street
Farmington, NM 87402

Nancy Joy Parsons
119 Northwood MHP
Lewisville, TX 75057

Z 378 961 606

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

R.E. Chambers Jr.

2413 Clayton

Wichita Falls, TX 76308

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>Roden G D com</i> <i>Mailed 3-31-79</i>	

Z 378 961 607

US Postal Service

Receipt for Certified Mail

Insurance Coverage Provided

Lollie Dee King Chambers

2413 Clayton

Wichita Falls, TX 76308

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>Roden 60 com</i> <i>Mailed 3-31-99</i>	

Z 378 961 608

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

W.T. & Jeanette J. Probandt

415 W. Wall

Suite 2206

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 <i>Raden G.A.com</i> <i>Mailed 3-31-99</i>	

Z 378 961 609

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See envelope)

Bakersfield Investment Trust
Wade C. Morris, Trustee
P.O. Box 9604
Bakersfield, CA 93309

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>Rodney G. Morris</i> <i>Mailed 3-31-99</i>

Z 378 961 610

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

John C. & Virginia M. Boggs

P.O. Box 646

Fishers Island, NY 06390

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>Roden GD com mailed 3-31-99</i>

Z 378 961 611

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Virginia Fell McComb Living Trust
Mary Lee Dunston, Trustee
112 N. 12th Street
Leesburg, FL 34748

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>Roden GD Carr Mailed 3-31-99</i>

Z 378 961 612

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

George E. & Gloria J. Eng

2004 Harvard

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	<i>Aden GD com</i> <i>mailed 3-31-99</i>

2 378 961 613

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

John W. & Jean M. Gates, Trust
Margaret Jean Gates, Trustee
706 W. Grand
Artesia, NM 88210

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>Artesia 6D COM</i> <i>Mailed 3-31-99</i>

Z 378 961 614

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

R.R. Hinkle Company, Inc.

P.O. Box 59

Roswell, NM 88202-0059

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>Roden 60 mailed COM 3-31-99</i>

Z 378 961 615

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

William J. & Elizabeth W. Jones Trust
Wells Fargo Bank, Trustee
P.O. Box 5825
Denver, CO 80217

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>Raden G.D. Mailed</i> <i>Com 3-31-99</i>	

Z 378 961 616

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

James H. McGivney

234 Abbey Road

Manhasset, NY 11030

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>Manhasset 3-31-99</i>

*Rodney G.D.
Corm*

Z 378 961 617

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

John C. McGivney
14 Stratford Court
Staten Island, NY 10314

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>Roden G D Conn mailed 3-31-99</i>

Z 378 961 618

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

For International Mail (See reverse)

Jack W. McCaw

P.O. Box 127

Artesia, NM 88211-0127

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>Roden G. O'Connell</i> <i>mailed 3-31-99</i>	

Z 378 961 619

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (*See reverse*)

McQuiddy Comm. & Energy, Inc.

P.O. Box 2072

Roswell, NM 88201

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>Proden G D Com</i> <i>mailed 3-31-99</i>	

Z 378 961 620

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Hettie Jewel Page
6110 Wildwood Street
Farmington, NM 87402

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>mailed 3-31-99</i>

*Roden Co
Com*

Z 378 961 621

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail *(See reverse)*

Nancy Joy Parsons

119 Northwood MHP

Lewisville, TX 75057

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>Roden 60 Com</i> <i>mailed 3-31-99</i>