

RELEASE 11-16-75
CTB

OIL CONSERVATION DIVISION
RECEIVED
OCT 13 1993
FRI 9 34

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
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DENNIS G. KINSEY
TREASURER

October 12, 1993

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

ATTENTION: Mr. William LeMay
Director

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

Dear Mr. LeMay:

Yates Petroleum Corporation respectfully requests administrative approval to commingle production from three wells into a common tank battery and to permit production from each well to be transported prior to measurement to another well for storage thereon. It is proposed to commingle the production from the following three wells:

Ross EG Federal Com #9	Chamiza AJC Com #1
Unit I, 1980 FSL & 660' FEL	Unit O, 990 FSL & 1980' FEL
Section 19-T19S-R25E	Section 19-T19S-R25E
Eddy County, New Mexico	Eddy County, New Mexico
NM-0557142	Fee Lease

Parish IV Com #1
Unit J, 1980' FSL & 1980' FEL
Section 19-T19S-R25E
Eddy County, New Mexico
Fee Lease

The production from these three wells will be commingled into a common storage facility located on the Parish IV Com #1 location. A map labeled Attachment I is enclosed for your information.

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating and thereby extend 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 well.

Off-Lease Storage, Etc.:

Page 2:

October 12, 1993

Because working interests for the proposed wells are different from the well where the proposed storage facilities are located, 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 in all three wells will be from the same producing zone which is the Canyon.

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

- Attachment II A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities".
- Attachment III Notification of working interest owners of the proposal to commingle production.
- Attachment IV Notification to the Bureau of Land Management.

Yates Petroleum Corporation appreciates your cooperation in this matter. If you should have any questions or need further information, please give me a call at 505-748-1471.

Thank you.

Sincerely,



Rusty Klef
Production Clerk

rk

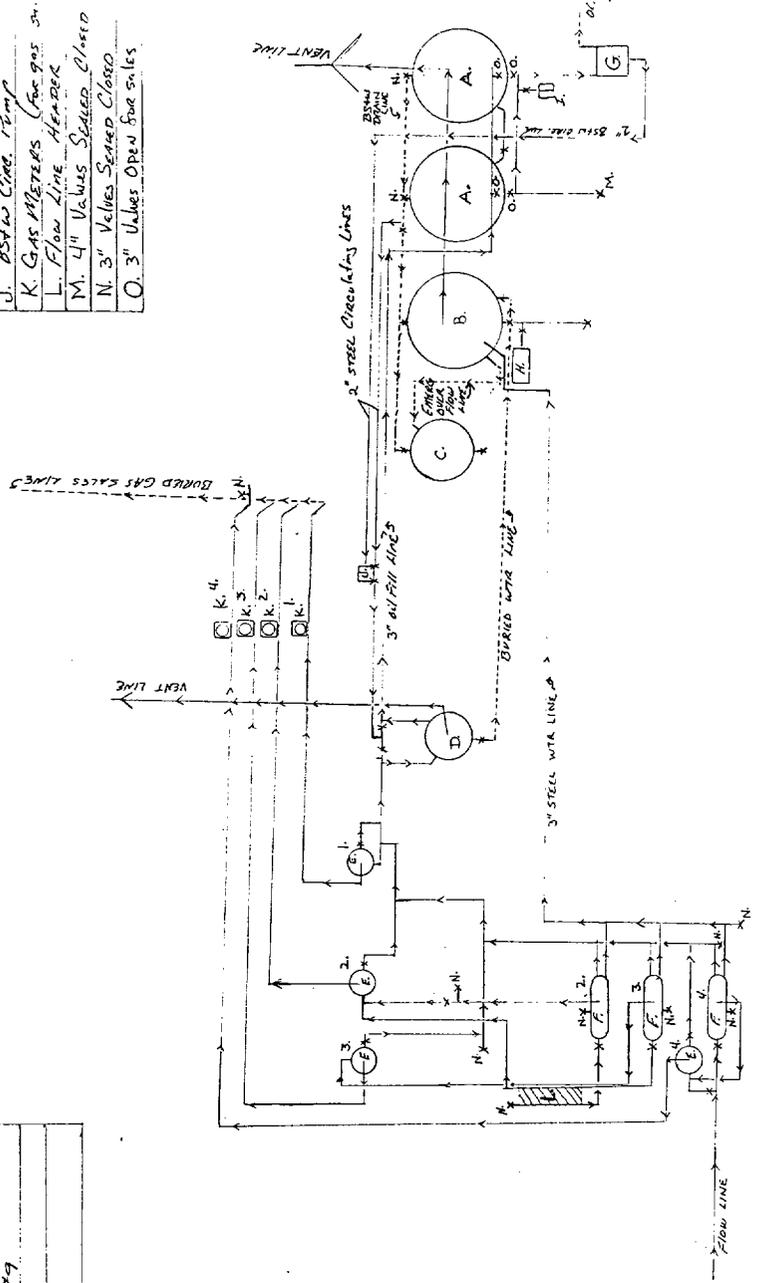
Attachments

YATES PETROLEUM CORPORATION

PARISH IV Com #1
 1980 FSL & 1980 FEL
 Sec. 19, 19S - 25E
 EDDY County New Mex

1. Parish I.U. Com #1
 2. Chamiza A.C. #1
 3. Parish I.U. Com #5
 1. Ross C.G. #9

A. 500 BL. METAL STOCK T.
 B. 500 BL. FIBERGLASS WTR. T.
 C. 210 BL. FIBERGLASS BSTR.
 D. HEATER TREATER
 E. VERTICAL GAS SEPARATOR
 F. HORIZONTAL 3-PHASE SEPE.
 G. LACT (For oil subs)
 H. PRODUCE WATER PUMP
 I. TANK LEVEL CONTROL
 J. BSW Com. Pump
 K. GAS METERS (For gas in.)
 L. FLOW LINE HEADER
 M. 4" VALVES SPACED CLOSED
 N. 3" VALVES SETTED CLOSED
 O. 3" VALVES OPEN FOR SALES



WORKING INTEREST OWNERS

Ross EG Federal Com #9, Chamiza AJC Com #1 and Parish IV Com #1

Cathie Cone Auvenshine
P. O. Box 658
Dripping Springs, TX 78620-0658

Donna & Leon Binkley Frost
Personal Representatives of the
Estate of Kathleen Cone
P. O. Drawer 1509
Lovington, NM 88260

Mr. Clifford Cone
P. O. Box 1629
Lovington, NM 88260

Mr. Kenneth G. Cone
P. O. Box 11310
Midland, TX 79702

Conoco, Inc.
P. O. Box 951063
Dallas, TX 75395-1063
ATTN: Land Department

DC Trust, Marilyn Cone, Trustee
P. O. Box 642444
Lubbock, TX 79464

Explorers Petroleum Corporation
P. O. Box 1933
Roswell, NM 88201

Hanson-McBride Petroleum Company
P. O. Box 1515
Roswell, NM 88202-1515

Marathon Oil Company
P. O. Box 730366
Dallas, TX 75373-0366
ATTN: Land Department

Ozark Exploration, Inc.
Two Turtle Creek Village
3838 Oak Lawn Ave. - Suite 1525
Dallas, TX 75219

Spiral, Inc.
P. O. Box 1933
Roswell, NM 88201

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 88202

Harvey E. Yates Company
P. O. Box 1933
Roswell, NM 88201

Douglas Cone Family Trusts
c/o Kenneth G. Cone
P. O. Box 64244
Lubbock, TX 79464-4244

P 384 292 439

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Cathie Cone Auvenshine	
Street and No. P. O. Box 658	
P.O., State and ZIP Code Dripping Springs, TX 78620-	
Postage	\$ 0658
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal #9	

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RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Donna & Leon Binkley Frost	
Personal Reprs. of K. Cone	
Street and No. Estate	
P.O. Box 1509	
Lovington, NM 88260	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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U.S.G.P.O. 1985-234-555

PS Form 3800, June 1985

Sent to Mr. Clifford Cone	
Street and No. P. O. Box 1629	
P.O., State and ZIP Code Lovington, NM 88260	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Mr. Kenneth G. Cone	
Street and No. P. O. Box 11310	
P.O., State and ZIP Code Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

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(See Reverse)

U.S.G.P.O. 1989-234-555

Sent to Conoco, Inc.	
Street and No. P. O. Box 951063	
P.O. State and ZIP Code Dallas, TX 75395-1063	
Addressee Land Department	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

PS Form 3800, June 1985

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RECEIPT FOR CERTIFIED MAIL

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U.S.G.P.O. 1985-234-555

DC to Trust	
c/o Marilyn Cone, Trustee	
Street and No. P. O. Box 64244	
P.O., State and ZIP Code Lubbock, TX 79464	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

PS Form 3800, June 1985

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U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Explorers Petroleum Corp.	
Street and No. P. O. Box 1933	
P.O., State and ZIP Code Roswell, NM 88201	
Postage	S
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	S
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

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NO INSURANCE COVERAGE PROVIDED
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U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Hanson-McBride Petroleum Co.	
Street and No. P. O. Box 1515	
P.O., State and ZIP Code Roswell, NM 88202-1515	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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U.S.G.P.O. 1985-234-555

PS Form 3800, June 1985

Sent to Marathon Oil Company	
Street and No. P. O. Box 730366	
P.O., State and ZIP Code Dallas, TX 75373-0366	
Postage Land Department	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

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RECEIPT FOR CERTIFIED MAIL

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(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Bank Exploration, Inc.	
Two Turtle Creek Village	
Street and No. 3838 Oak Lawn Ave. - Suite	
P.O., State and ZIP Code Dallas, TX 75219 1525	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Spiral, Inc.	
Street and No. P. O. Box 1933	
P.O., State and ZIP Code Roswell, NM 88201	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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PS Form 3800, June 1985
 U.S.G.P.O. 1989-234-555

Sent to Yates Energy Corporation	
Street and No. P. O. Box 2323	
P.O., State and ZIP Code Roswell, NM 88202	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	

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NO INSURANCE COVERAGE PROVIDED
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U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Harvey E. Yates Company	
Street and No. P. O. Box 1933	
P.O., State and ZIP Code Roswell, NM 88201	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
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(See Reverse)

U.S.G.P.O. 1989-234-555

Douglas Cone Family Trust	
c/o Kenneth C. Cone	
Street and No. P. O. Box 64244	
P.O., State and ZIP Code Lubbock, TX 79464-4244	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
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U.S.G.P.C. 1985-234-555

PS Form 3800, June 1985

Sent to Bureau of Land Management	
Street and No. P. O. Box 1778	
P.O., State and ZIP Code Carlsbad, NM 88221-1778	
Message Mr. Richard Manus	s
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date October 26, 1993 Ross EG Federal Com #9	