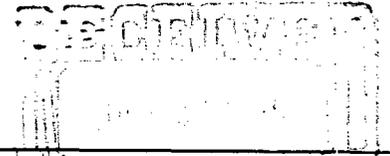


APOLLO



Apollo Energy, Inc. / P. O. Box 5315 / Hobbs, New Mexico 88241 / Phone (505) 397-3596

January 18, 1985

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Roy E. Johnson
Senior Petroleum Geologist

Re: Application for
Commingling Corder
Federal No. 4 and No. 5
into Amco Federal "A"
Battery

Gentlemen:

In response to your letter dated January 10, 1985, the production from the captioned wells are measured by well test at the battery. If further information is necessary, please do not hesitate to call.

Sincerely,

APOLLO ENERGY, INC.

Betty L. Swafford
Administrative Assistant



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5600

January 10, 1985

Apollo Energy, Inc.
P.O. Box 5315
Hobbs, NM 88241

Re: Application for
Commingling Corder
Federal No. 4 and No. 5
into Amco Fed. "A"
Battery

Gentlemen:

This letter is to acknowledge that we are in receipt of the above referenced application. Enclosed please find our "Manual for the Installation and Operation of Commingling Facilities" and this office will have to be informed on how the production from these wells will be measured. Once this office has received this information and there are no objections from the BLM an administrative order will be written.

Also enclosed is administrative order No. CTB-179A for Shell Oil Company on these leases. As your leases are slightly different from the leases described in this order there is a need to write a separate order for Apollo and to have a second amendment to the Shell Order CTB-179A.

If you have any questions concerning this matter, please contact me at this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roy E. Johnson", with a long horizontal line extending to the right.

ROY E. JOHNSON
Senior Petroleum Geologist

REJ/dp

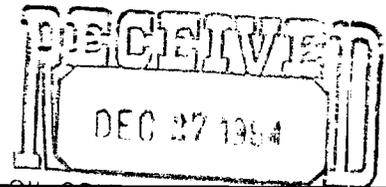
Enc.

cc: BLM
P.O. Drawer 1857
Roswell, NM 88201

Attn: Stan Mayo

1-11-85
letter sent
- on measuring
production.

APOLLO



Apollo Energy, Inc. / P. O. Box 5315 / Hobbs, New Mexico 88241 / Phone (505) 897-3596
OIL CONSERVATION DISTRICT OF NEW MEXICO
SANTA FE

December 26, 1984

Bureau of Land Management
Roswell Resource Area
P. O. Drawer 1857
Roswell, New Mexico 88201

Attn: Stan Mayo

Re: Application for
Commingling of Production
Corder Federal No. 4 and No. 5
into Amco Federal 'A' Battery

Cato S.A. Pool
1-11-85
Hold

Gentlemen:

We respectfully request approval to be granted to permit the commingling of production from the Corder Federal No. 4 and No. 5 into the Amco Federal 'A' Battery.

The combined application for the commingling of production at the Amco Federal 'A' Battery consists of the following:

- Amco Federal 'A' Lease: Sec. 4, T9, R30, Chaves County, NM
- Corder Federal Lease: Sec. 5, T9, R30, Chaves County, NM

At the time of commingling these properties were owned by Shell Oil Company. APOLLO ENERGY'S change of ownership date was effective December 30, 1982. The files available to APOLLO do not have any information concerning pertinent data required for proper application for commingling of production.

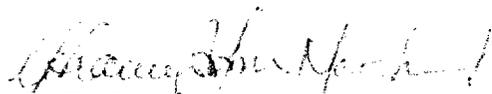
In support of our request the following is submitted:

- 1) Plats of the leases showing thereon the wells and the information in which they are completed.
- 2) Site Security diagram of commingling facility.

Re: Application for
Commingling of Production
Corder Federal No. 4 and No. 5
into Amco Federal 'A' Battery

Thank you for your cooperation. If we can be of further assistance,
please do not hesitate to call.

Sincerely,
APOLLO ENERGY, INC.


M. Y. Merchant
President

MYM/bs

Attachments

CERTIFIED MAIL - P 497 963 125 B.L.M.

CERTIFIED MAIL - P 497 963 126 N. M. O. C. D. Santa Fe, NM

Lease No:

NM-0155254-A

Date:

12-10-84

NOTICE OF INCIDENTS OF NONCOMPLIANCE DETECTED

Bureau of Land Management Office: Roswell Resource Area	Operator: Apollo Energy, Inc.	Time (24-hour clock): 1420
Address: P.O. Eraser 1857	Address: P.O. Box 5315, Hobbs, New Mexico 88241	
Site: SENW T. 9S., R. 30E.	To (company representative): Mr. Merchant	

THE FOLLOWING LIST OF INCIDENTS OF NONCOMPLIANCE WERE FOUND BY BLM INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE. Amco "A" Battery

WARNING IS HEREBY GIVEN TO CORRECT THE FOLLOWING DEFICIENCIES:

Moderate Incident of Noncompliance (INC)	Corrective Action Taken	Date
We have no records of approval for any wells commingling into this, Amco "A" facility from the Corder Lease No. NM-073394-A. You shall submit for approval to commingle the Corder Fed. wells 4 & 5 into the Amco "A" Battery. Failure to report and ask approval for changes in operations.	<i>Please see attachment.</i>	<i>12/26/84</i>
43CFR 3162.4-1		
<u>YOU HAVE THE RIGHT TO APPEAL PURSUANT TO 43 CFR 3165.3 and 3165.4</u>		

(If more space is needed attach separate sheet)

~~YOU ARE HEREBY ORDERED TO SUSPEND WITHIN THE FOLLOWING OPERATIONS:~~
(Failure to correct this violation within the prescribed time will result in an assessment of \$250.00 per 43 CFR 3163.3 (a). In addition, you may also be subject to civil penalties under the Federal Oil and Gas Royalty Management Act of 1982.

Signature of BLM Representative: <i>Stan Mayo</i>	Date: <i>12-11-84</i>	Time: (FOGRMA) <i>1505</i>
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Each incident of noncompliance listed must be corrected within (10) days.

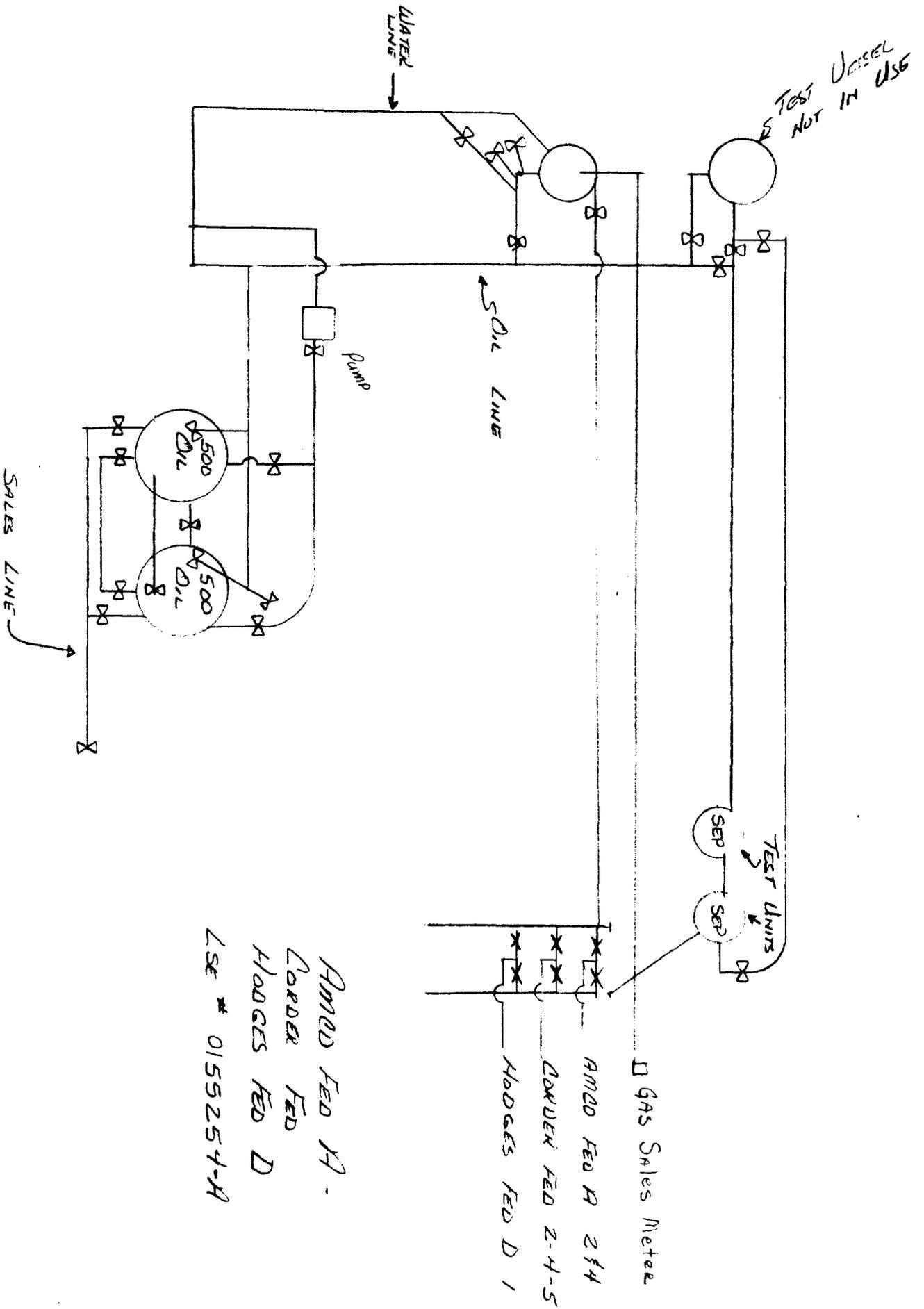
The date each incident of noncompliance was corrected must be reported to the BLM office at the address shown within (15) days from the ~~date~~ receipt of this Notice.

No operation suspended by this order may be resumed until the corrective action has been inspected by the BLM.

Failure to suspend an operation as ordered, to correct the cited deficiencies within the prescribed time, or to report the corrective action within the prescribed time can result in further enforcement actions being taken in accordance with Title 43 Code of Federal Regulations.

AUTHORIZATION TO RESUME OPERATION

Signature of BLM Representative:	Date:	Time:
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AMMO FEED A.
 DARDEN FEED
 HODGES FEED D
 LSE # 0155254-A

All distances must be from the outer boundaries of the Section.

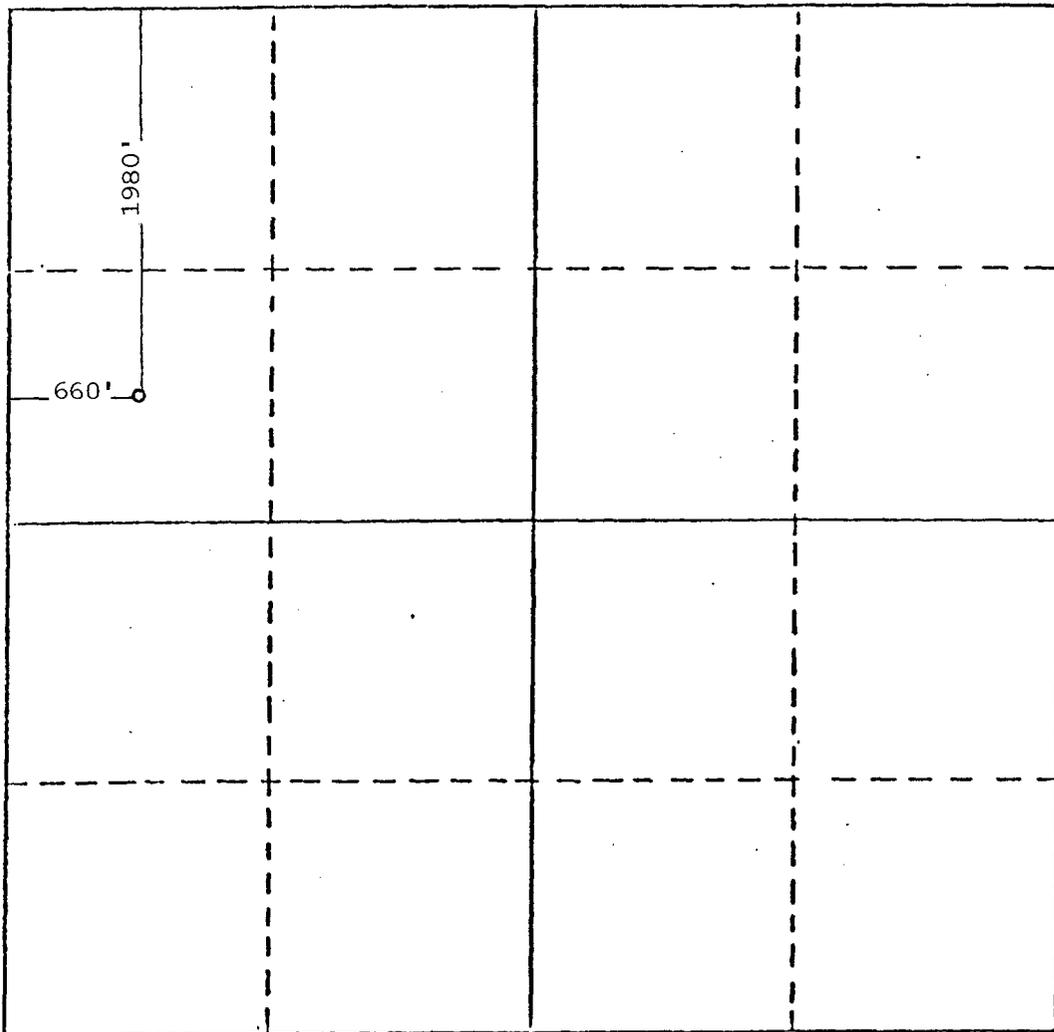
Operator Apollo Energy, Inc.		Lease Amco Federal A			Well No. 4
Unit Letter E	Section 4	Township 9 South	Range 30 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground Level Elev. 4085' DF	Producing Formation San Andres		Pool Cato San Andres	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mohammed Yamin Merchant

Name
Mohammed Yamin Merchant

Position
President

Company
Apollo Energy, Inc.

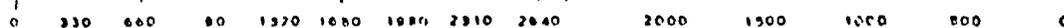
Date
December 21, 1984

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

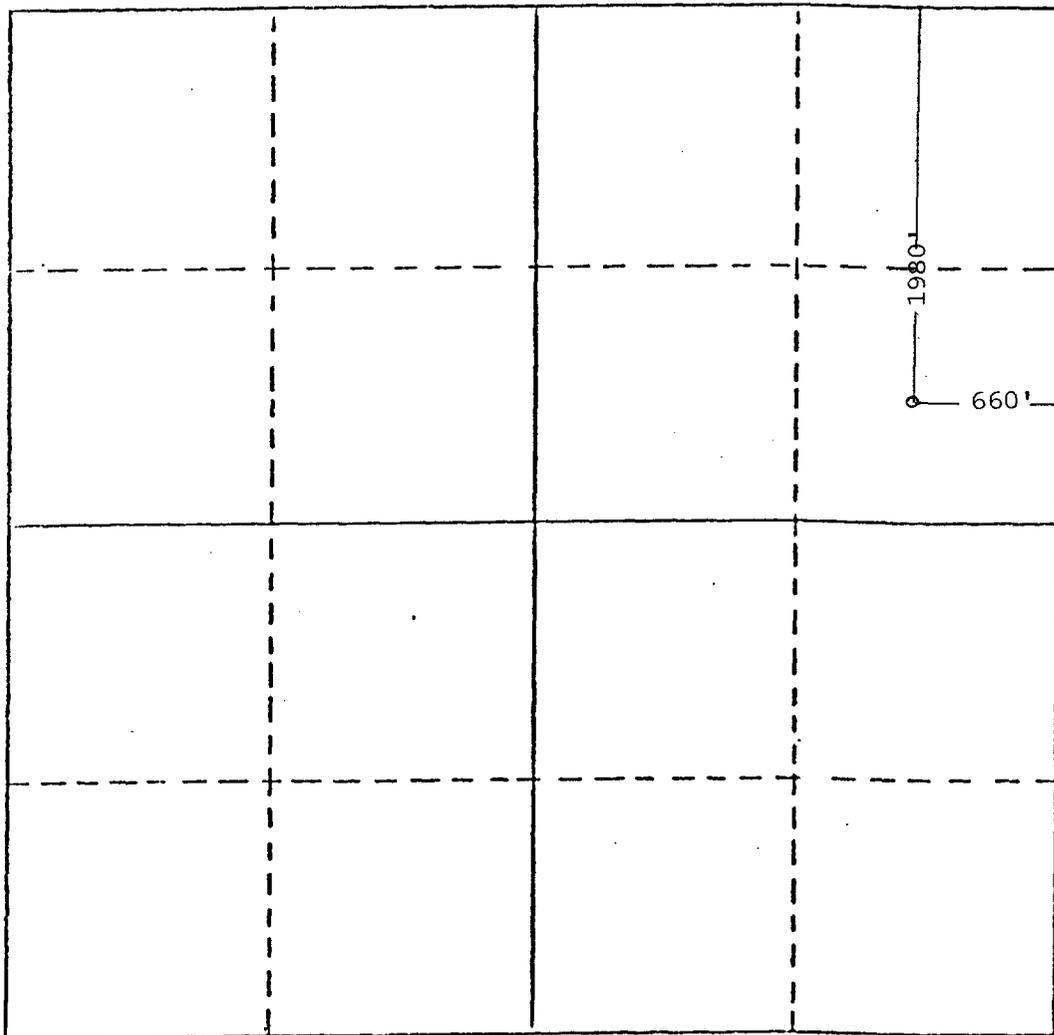
Operator Apollo Energy, Inc.		Lease Corder Federal			Well No. 4
Unit Letter H	Section 5	Township 9 South	Range 30 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev. 4090.2	Producing Formation San Andres		Pool Cato San Andres		Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mohammed Yamin Merchant

Name

Mohammed Yamin Merchant

Position

President

Company

Apollo Energy, Inc.

Date

December 21, 1984

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



All distances must be from the outer boundaries of the Section.

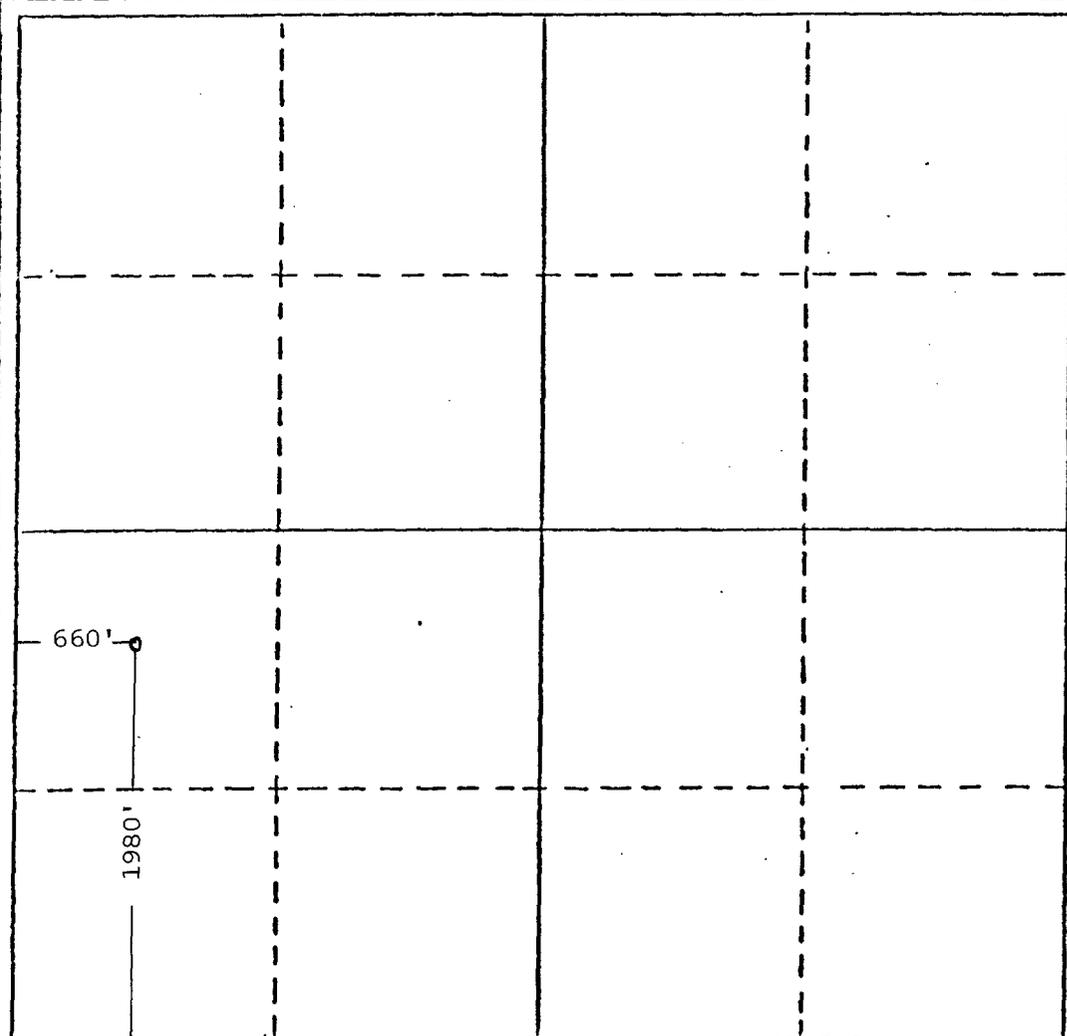
Operator Apollo Energy, Inc.		Lease Corder Federal		Well No. 5
Unit Letter L	Section 4	Township 9 South	Range 30 East	County Chaves
Actual Footage Location of Well: 660 feet from the West line and 1980 feet from the South line				
Ground Level Elev. 4052.5	Producing Formation San Andres	Pool Cato San Andres		Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mohammed Yamin Merchant

Name

Mohammed Yamin Merchant

Position

President

Company

Apollo Energy, Inc.

Date

December 21, 1984

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Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

