

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING

Bureau of Land Management  
P. O. Box 1778  
Carlsbad, NM 88221-1778

Yates Petroleum Corporation is requesting approval for surface commingling of gas from the following wells:

Slinkard UR Federal #1 (NM-15881) SENE of Section 11-T20S-R29E, Eddy Co., NM  
Slinkard UR Federal #2 (NM-15881) SENW of Section 11-T20S-R29E, Eddy Co., NM  
Slinkard UR Federal #3 (NM-15881) NWSW of Section 12-T20S-R29E, Eddy Co., NM  
Slinkard UR Federal #4 (NM-15881) NENW of Section 12-T20S-R29E, Eddy Co., NM  
Eland AFC Federal #1 (NM-55125) SESW of Section 12-T20S-R29E, Eddy Co., NM  
Anthill AAK State #1 (LG-2041) SWSE of Section 2-T20S-R29E, Eddy Co., NM  
Zia AHZ Federal Com #1 (NM-81929) SWSE of Section 11-T20S-R29E, Eddy Co., NM

Production from the wells involved is as follows:

Slinkard UR Federal #1, 25 BOPD and 195 MCFPD  
Slinkard UR Federal #2, 8 BOPD & 80 MCFPD  
Slinkard UR Federal #3, 100 MCFPD  
Slinkard UR Federal #4, 52 BOPD & 175 MCFPD  
Eland AFC Federal #1, 75 BOPD & 250 MCFPD  
Anthill AAK State #1, 11 BOPD & 19 MCFPD  
Zia AHZ Federal Com #1, 42 BOPD & 330 MCFPD

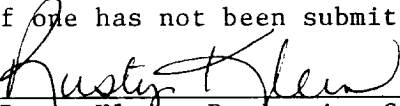
A map is enclosed showing the location of the meters and the wells and how the pipeline runs. There are four (4) different meters that these wells can be sold through. They are:

1. Transwestern Pipeline Co. (Meter No. 11123) Section 9-T20S-R29E
2. Associated Natural Gas (Meter No. 2340010041) Section 9-T20S-R29E
3. Associated Natural Gas (Meter No. 2340010042) Section 11-T20S-R29E
4. GPM (Meter No. 14255) Section 35-T19S-R29E

Associated Natural Gas is the primary purchaser, but if they encounter problems, the gas is able to be sold through one of the other purchasers. Each well has its own allocation meter on their respective location.

The proposed commingling of production will not results in reduced royalty or improper measurement of production.

We understand that the requested 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 one has not been submitted.

  
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Rusty Klein, Production Clerk  
April 14, 1995