

**Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210**

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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</p> <p align="center">SUBMIT IN TRIPLICATE</p>	<p>5. Lease Designation and Serial No. NM-91504</p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or CA, Agreement Designation</p> <p>8. Well Name and No. Mighty Mite AZF Federal Com #1</p> <p>9. API Well No. 30-015-32266</p> <p>10. Field and Pool, or Exploratory Area Indian Basin/Upper Penn. Assoc.</p> <p>11. County or Parish, State Eddy County, NM</p>
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1. Type of Well
Oil Gas
 Well Well Other

RECEIVED

2. Name of Operator
Yates Petroleum Corporation

MAR 16 2004

3. Address and Telephone No.
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

OCD-ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface - 229' FNL 1541' FEL Sec 10-T22S-R24E (Unit B, NWNE)
Bottomhole - 660' FNL & 660' FEL Sec 10-T22S-R24E (Unit A, NENE)

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

TYPE OF SUBMISSION	TYPE OF ACTION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Off Lease Measurement	<input type="checkbox"/> Dispose Water
	Surface/Lease Commingle	<small>(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)</small>

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 directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request administrative approval for Off Lease Measurement, Surface/Lease Commingle:

Mighty Mite AZF Federal Com #1
Sec 10 T22S R24E
Indian Basin/Upper Penn Assoc.
Eddy County, NM
Federal Lease # NM-91504
Com Agreement: NMNM 94495

Walt Canyon AMA Fed #1, & #2
Sec 3 T22S R24E
Indian Basin/Upper Penn Assoc.
Eddy County, NM
Federal Lease # NM-78213

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED**

The battery is located at the Walt Canyon AMA Fed #1. Please see attached plat and site facility diagram.

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. Total sales volumes will be allocated back to individual wells based on daily well test.

Interest owners are identical.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily production for the Mighty Mite AZF Federal Com #1 is 200 bls of oil, and 400 mcf.

The purpose of the Off Lease measurement & Surface/Lease Commingling, 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 built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

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.

14. I hereby certify that the foregoing is true and correct

<p>Signed <u>Mighty Mite</u> Title Production Secretary <small>(This space for field use only)</small> Approved by <u>ALEXIS C. SWOBODA</u> Title <u>PETROLEUM ENGINEER</u> Conditions of approval, if any:</p>	<p>Date <u>March 11, 2004</u> <u>MAR 15 2004</u></p>
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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.

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Indian Basin Upper Penn Associated
Property Code	Property Name	Well Number
	MIGHTY MITE AZF FED. COM.	1
OGRID No.	Operation Name	Elevation
025575	YATES PETROLEUM CORPORATION	3980

Surface Location

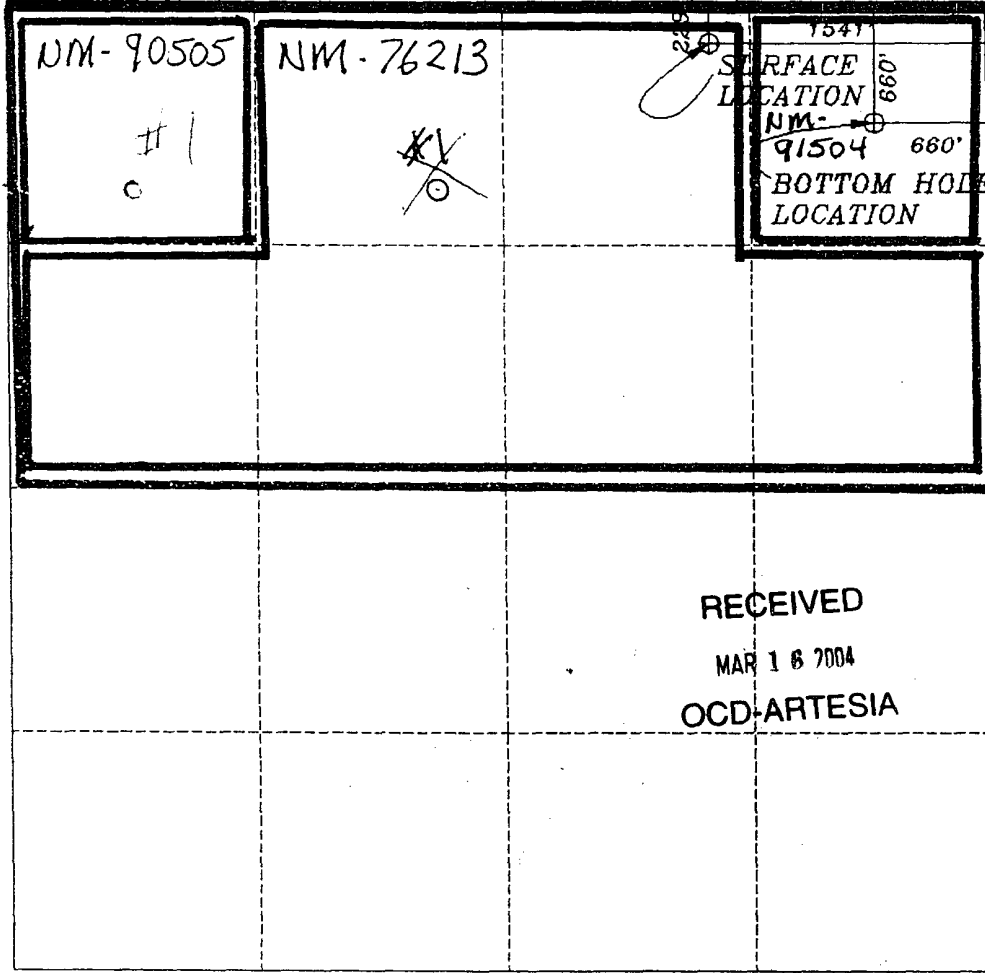
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
B	10	22-S	24-E		229	NORTH	1541	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
A	10	22-S	24-E		660	NORTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40.370			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Cy Cowan
Signature
Printed Name Cy Cowan
Title Regulatory Agent
Date 2/01/02

SURVEYOR CERTIFICATION
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.

DEC. 18, 2001
Date of Survey
Signature and Seal of Professional Surveyor
DAN B. BERRY
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
5412
NMO PE&ES AREA 12
Certificate Number

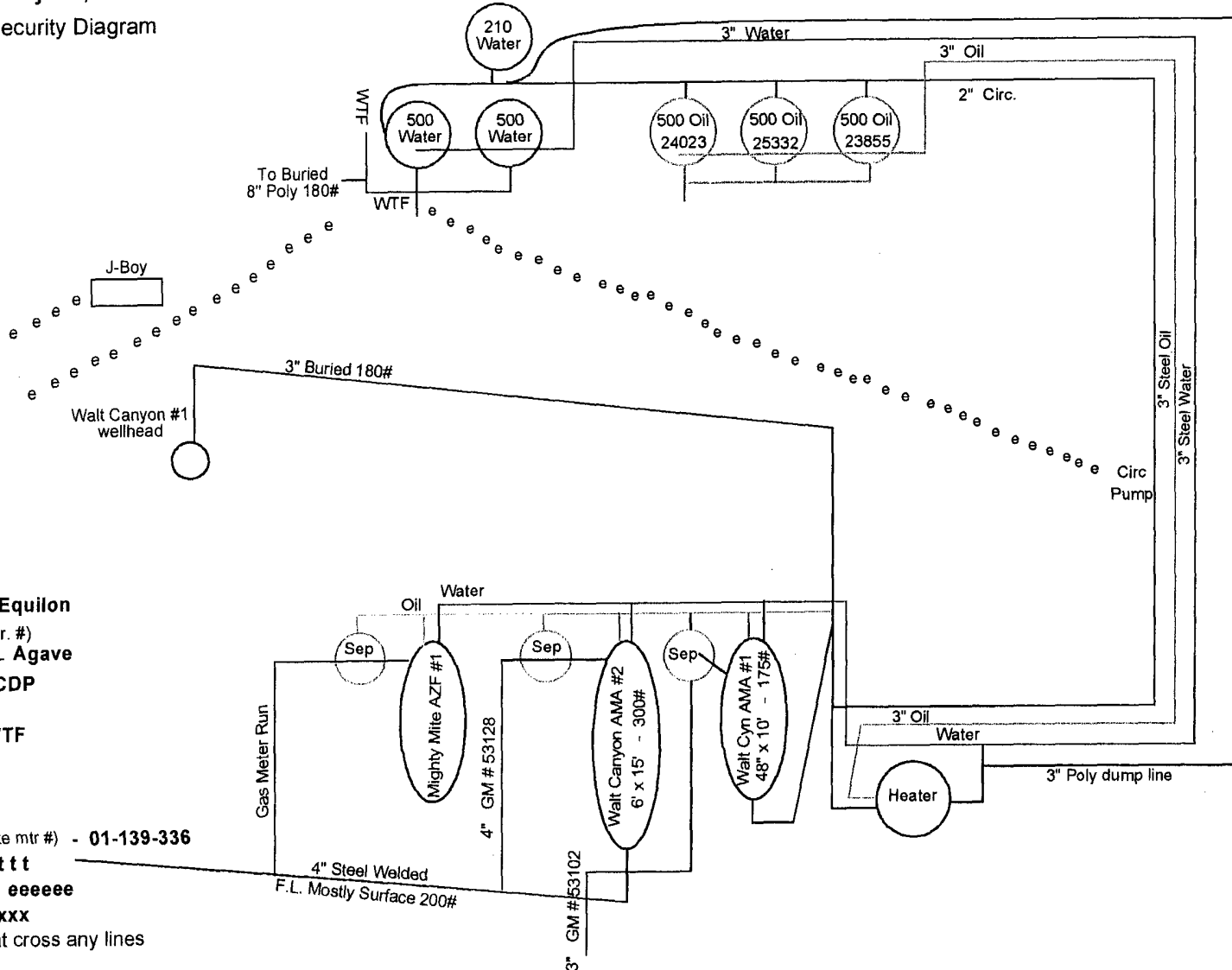


WALT CANYON AMA FED BATTERY

105 South 4th Street * Artesia, NM 88210
(505) 748-1471

Lease #
990' FSL & 2310' FEL * Sec. 3-T22S-R24E * Unit
Eddy County, NM

Wade Bennett - Foreman
January 12, 2004
Sight Security Diagram



- Proper Name
- Lact Unit - **LACT**
- Name of oil transporter - **Equilon**
- Gas Meter - **GM** (write mtr. #)
- Name of gas transporter - **Agave**
- Central delivery points - **CDP**
- Water Lines - - - - -
- Water transfer pump - **WTF**
- Flow lines - _____
- Paved roads - = = = = =
- Dirt Roads - e e e e e
- Primary Meter - **PME** (write mtr #) - **01-139-336**
- Overhead electrical - t t t t t
- Under ground electrical - e e e e e
- Pipeline crossing - x x x x x x x
- Show two track roads that cross any lines

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM