

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
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

5. Lease Designation and Serial No.
NM-78214

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil ☐ Gas ☐
☐ Well ☒ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No.

105 South Fourth Street, Artesia, NM 88210 (505) 7481471

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

1232' FNL 1980' FWL (NENW) Sec 9 T22S R24E Surface
660' FNL & 1980' FWL of Section 9- T22S- R24E BHL

8. Well Name and No.

Anemone ANE Federal #6

9. API Well No.

30-015-33043

10. Field and Pool, or Exploratory Area

Indian Basin/Upper Penn

11. County or Parish, State

Eddy County, NM

RECEIVED

FEB 09 2005

DOB: ANTEGIA

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Addition to Off Lease
Measurement, Surface/Lease Commingle

- ☐ 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 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 the addition to Off Lease Measurement, Surface/Lease Commingle previously filed August 30, 2001.

Anemone ANE Federal #1, 2, 3, 4, 5, 6, & 7
Sec 9 T22S R24E
Eddy County, NM
Federal Lease # NM-78214

Walt Canyon AMA Fed #3, 4, 5, 9 & 6
Sec 3 T22S R24E
Eddy County, NM
Federal Lease # NM-78213

The battery is located at the Anemone Federal Battery. 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.

Working 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 Anemone ANE Federal #6 is 100 bls of oil, and 300 mcf.

The purpose of the surface/pool 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 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. it we have not already done so.

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

Signed

Maite Reyes

Title Production Secretary

Date

February 3, 2005

LES BABYAK
PETROLEUM ENGINEER

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any: