

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial No. NM-78214
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		6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation
1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input type="checkbox"/> Well <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other	RECEIVED FEB 11 2004 OGD-ARTESIA	8. Well Name and No. Anemone ANE Federal #7
2. Name of Operator Yates Petroleum Corporation		9. API Well No. 30-015-33044
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 7481471		10. Field and Pool, or Exploratory Area Indian Basin/Upper Penn. Assoc.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL 660' FWL (NWSW) Sec 9 T22S R24E		11. County or Parish, State Eddy County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input 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 Addition to Off Lease	<input type="checkbox"/> Dispose Water
	Measurement, Surface/Lease Commingle	(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 & 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.

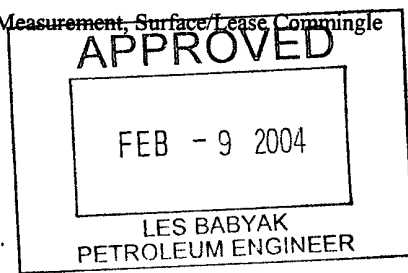
The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily production for the Anemone ANE Federal #7 is 300 bls of oil, and 950 mcf.

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 if we have not already done so.

14. I hereby certify that the foregoing is true and correct		
Signed <u>Maurice Reyes</u>	Title <u>Production Secretary</u>	Date <u>February 5, 2004</u>
(This space for Federal or State office use) Approved by _____ Title _____		Date _____
Conditions of approval, if any: _____		



ACT II

South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Indian Basin Upper Penn Associated
Property Code	Property Name ANEMONE "ANE" FEDERAL		Well Number 7
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 4010

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	22S	24E		1310	SOUTH	1003	WEST	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
L	9	22S	24E		1980'	South	660'	West	Eddy

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	<p>RECEIVED</p> <p>FEB 11 2004</p> <p>OOD-ARTESIA</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>July 25, 2003</p> <p>Date</p>
	<p>1980'S BHL</p> <p>660'W</p> <p>N.32°26'06.6"</p> <p>W.104°30'31.2"</p> <p>4040 4003</p> <p>1003'</p> <p>4021 4000</p> <p>1310'</p>	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>7/15/2003</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Herschell L. Jones</i></p> <p>Professional Surveyor</p> <p>ANEMONE 7</p> <p>REGISTERED PROFESSIONAL SURVEYING COMPANY</p>

0 330° 660° 990° 1650° 1980° 2310° 2310° 1980° 1650° 990° 660° 330° 0°



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

Wade Bennett - Foreman

January 12, 2004

Sight Security Diagram

Anemone ANE #2 Battery

Lease # NM 78214

1090 FNL - 840 FWL * Sec. 9-T22S-R24E * Unit D
Eddy County, NM

Wells to This Tank Battery

Sec 9-T22S-R24E

Anemone ANE Fed #1

30-015-28041

1980 FS & 1980 FW * Unit K

Anemone ANEFed #2

30-015-27982

1090 FN & 840 FW * Unit D

Anemone ANE Fed #3

30-015-28126

810 FN & 1930 FE * Unit B

Anemone ANE Fed #4

30-015-28133

1650 FS & 1980 FE * Unit J

Anemone ANE Fed #5

30-015-31323

660 FN & 660 FE * Unit A

Anemone ANE Fed #7

30-015-33044

1980 FS & 660 FW * Unit L

Sec 3-T22S-R24E

Walt Canyon AMA #3

30-015-28319

1115 FN & 810 FW * Unit D

Walt Canyon AMA #4

30-015-28361

860 FN & 1780 FE * Unit B

Walt Canyon AMA #9

30-015-32468

1370 FS & 915 FW

Walt Canyon AMA #5

30-015-32267

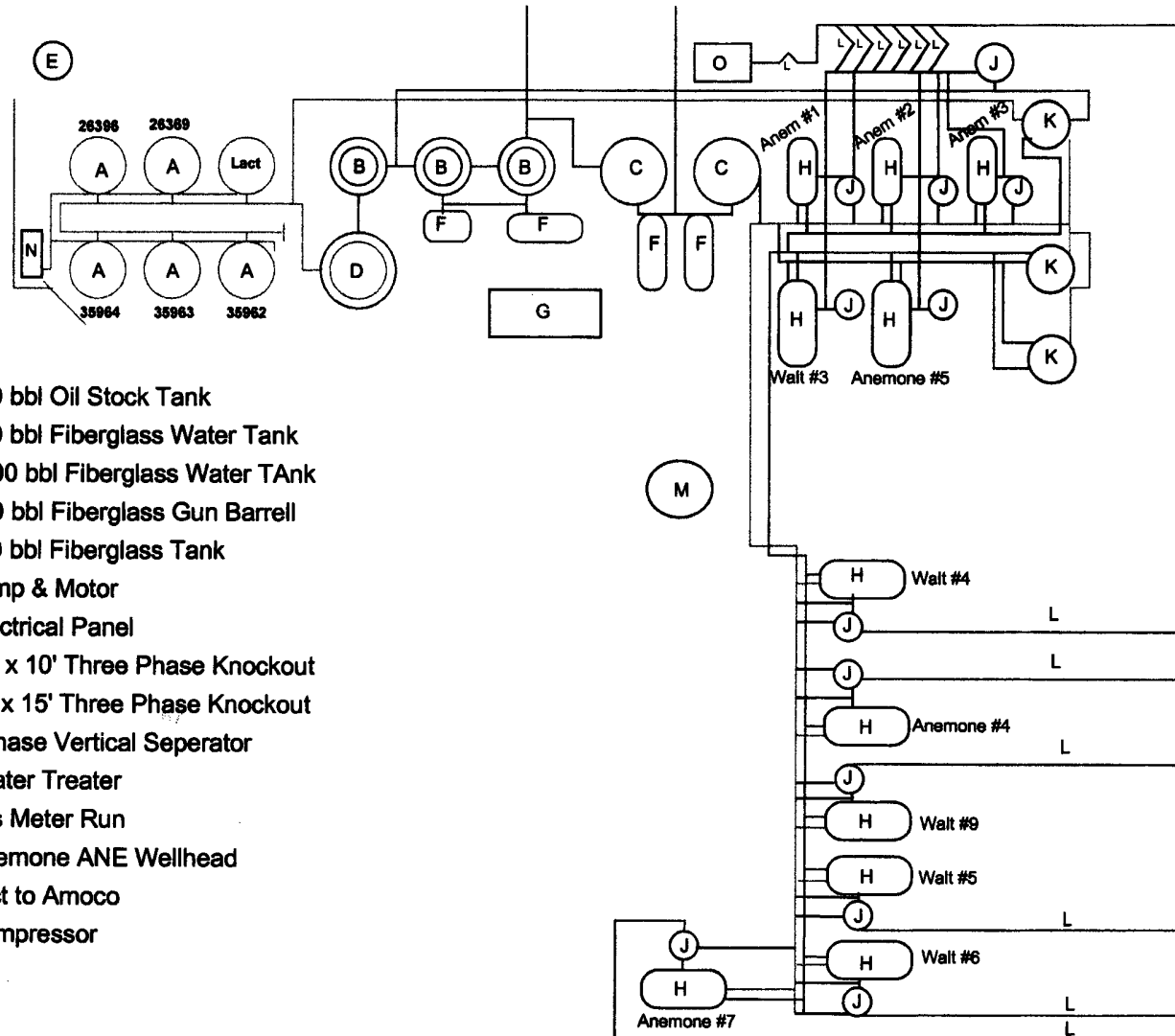
1830 FN & 2027 FE * Unit G

Walt Canyon AMA #6

30-015-33044

2100 FS & 1980 FE * Unit J

- A - 500 bbl Oil Stock Tank
- B - 500 bbl Fiberglass Water Tank
- C - 1000 bbl Fiberglass Water Tank
- D - 750 bbl Fiberglass Gun Barrell
- E - 210 bbl Fiberglass Tank
- F - Pump & Motor
- G - Electrical Panel
- H - 48" x 10' Three Phase Knockout
- I - 72" x 15' Three Phase Knockout
- J - 2 Phase Vertical Separator
- K - Heater Treater
- L - Gas Meter Run
- M - Anemone ANE Wellhead
- N - Lact to Amoco
- O - Compressor



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

WELD75

Inquire Revenue Division Orders

1/28/04

14:55:38

Property : 011751 005 ANEMONE ANE FEDERAL #7
Deck : M1 MASTER DECK
Effective date : 12 2000
Inflation factor : .00000000

Owner#	Owner Name	Inter Co#	Interest	Int Type	Lease Interest	Py St	WP Ct	Ex Cl	Py Ot	Rt Cd
005000	ABO PETROLEUM CORPOR		.28000000	01 WOR	.28000000	PA				
611540	MINERALS MANAGEMENT		.12500000	02 ROY	.12500000	GI		02		
640010	MYCO INDUSTRIES, INC		.28000000	01 WOR	.28000000	PA				
994100	YATES DRILLING COMPA		.28000000	01 WOR	.28000000	PA				
999900	YATES PETROLEUM CORP		.03500000	01 WOR	.03500000	CO				

Total interest : 1.00000000 1.00000000

F12=Previous

Jimmy R. Hughes - 2/6/04
Yates Pet Corp.