

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NEW MEXICO PERMIT IN TRIP
Artesia, NM 88010

Form approved.
Budget Bureau No. 1004-0113
Expires August 31, 1985
LEASE DESIGNATION AND SERIAL NO.

CLSF

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Yates Petroleum Corporation	8. FARM OR LEASE NAME Phillips KH Fed Com
3. ADDRESS OF OPERATOR 105 South 4th Street, Artesia, New Mexico 88210	9. WELL NO. 1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FNL & 660' FEL	10. FIELD AND POOL, OR WILDCAT Springer Basin- Atoka Morrow
14. PERMIT NO. API #30-005-60540	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 23-14S-27E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3520' KB	12. COUNTY OR PARISH Chaves
	13. STATE NM

RECEIVED

MAR 02 '89

O. C. D.
ARTESIA, OFFICE

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	PULL OR ALTER CASING
FRACTURE TREAT	MULTIPLE COMPLETE
SHOOT OR ACIDIZE	ABANDON*
REPAIR WELL	CHANGE PLANS
(Other)	Off Lease Measurement

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREATMENT	ALTERING CASING
SHOOTING OR ACIDIZING	ABANDONMENT*
(Other)	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. 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.)

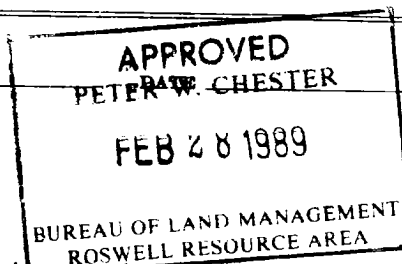
This request seeks approval for off-lease measurement of natural gas from the subject well. Transwestern Pipeline Company agreed to transport gas from this well if Yates would build a gathering line to deliver the gas to existing Transwestern pipeline facilities. The gas sales meter will be read and maintained by Transwestern, but the meter is located nearby off-lease (see attached map). Yates will maintain the gathering flow lines in a safe condition and will pay royalty due on gas lost to leaks or failures based on the preceeding 30-day average rate. Yates will obtain all necessary rights-of-way before installing flow lines. All separation and liquid storage and sales facilities will be located on the originating lease. Yates believes that off-lease measurement is necessary for this well as the only practical way to bring this gas to market with attendant economic benefit to working interest owners, royalty owners and the public through production taxes.

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

SIGNED Theresa Padilla TITLE Engineer in Training DATE January 9, 1989

(This space for Federal or State office use)

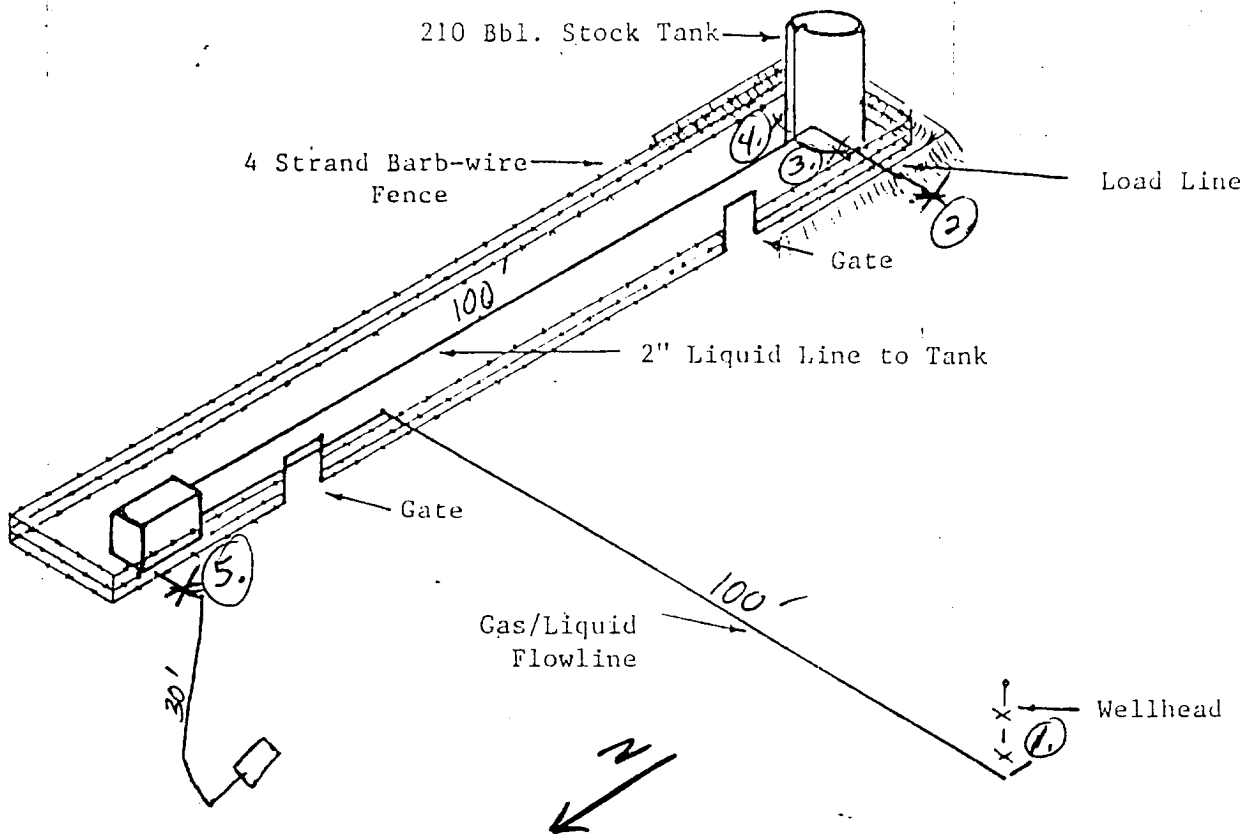
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:



*See Instructions on Reverse Side

NM Cons. Commission
Drawer DD
Artesia, NM 88210

Yates Petroleum Corporation
PHILLIP KH FED. #1
H-23-T145-R27E
SRM-1394



- ① MASTER WELLHEAD VALVE
- ② PLUG VALVE
- ③ PLUG VALVE
- ④ PLUG VALVE (2")
- ⑤ 2" SALES VALVE