

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS MISSION
Drawer DD
Artesia, NM 88210

FORM APPROVED
Budget 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

SUBMIT IN TRIPLICATE

| | |
|---|---|
| Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. NM-045274 |
| Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471 | 6. If Indian, Allottee or Tribe Name |
| Address and Telephone No. 105 South 4th St., Artesia, NM 88210 | 7. If Unit or CA, Agreement Designation SCR70 |
| Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FNL & 1780' FEL of Section 23-T20S-R24E (Unit G) | 8. Well Name and No. Hillview AHE Fed Com #2 |
| | 9. API Well No. 30-015-23541 |
| | 10. Field and Pool, or Exploratory Area South Dagger Draw Upper Penn |
| | 11. County or Parish, State Eddy Co., NM |

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other <u>Surface Commingling, Off-Lease Storage & Measurement</u> |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

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

3. 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.)*

Please see the attached form for surface commingling, off lease storage and measurement for the attached list of well.

The battery is located at the Hillview AHE Federal Com #2 location. Please see the attached map and site facility diagram.

Subject to
Like Approval
By State

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

Signed Rusty Klein Title Production Clerk Date January 13, 1994

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh Title Petroleum Engineer Date 2/2/94

Conditions of approval, if any:

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.

*See Instruction on Reverse Side

WELLS GOING TO HILLVIEW AHE FEDERAL COM #2 BATTERY LOCATED SWNE OF SECTION 23-T20S-R24E

CA No.: SCR70

Hillview AHE Federal Com #2, SWNE (Unit G) of Section 23-T20S-R24E, Eddy Co., NM
Hillview AHE Federal Com #4, NWSE (Unit J) of Section 23-T20S-R24E, Eddy Co., NM
Hillview AHE Federal Com #5, NENE (Unit A) of Section 23-T20S-R24E, Eddy Co., NM
Hillview AHE Federal Com #6, NWNE (Unit B) of Section 23-T20S-R24E, Eddy Co., NM
Hillview AHE Federal Com #10, SENE (Unit H) of Section 23-T20S-R24E, Eddy Co., NM
Hillview AHE Federal Com #12, NESE (Unit I) of Section 23-T20S-R24E, Eddy Co., NM
Prickly Pear AIE Federal Com #1, SESE (Unit P) of Section 23-T20S-R24E, Eddy Co., NM

S₁Completion - CA No.: NMNM84608; S₂Completion - NM045274 (Lease)

Hillview AHE Federal Com #3, SESW (Unit N) of Section 23-T20S-R24E, Eddy Co., NM

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Yates Petroleum Corp. (Operator's Name) is requesting approval for
surface commingling and off-lease storage and measurement of
hydrocarbon production from the following formation(s) and well(s)
on Federal Lease No. S1Comp: NMNM84608 ; Lease Name: Hillview AHE Fed Com
S₂Comp: NM045274

| <u>Well</u> <u>No.</u> | <u>Loc.</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Rng.</u> | <u>Formation</u> |
|---------------------------|---------------|---------------|---------------|---------------|------------------|
| <u>3</u> | <u>N</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

with hydrocarbon production from the following formation(s) and
well(s) on Federal lease No. CA SCR70 ; Lease Name: Hillview AHE Fed Com
Prickly Pear AIE Fed Com

| <u>Well</u> <u>No.</u> | <u>Loc.</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Rng.</u> | <u>Formation</u> |
|---------------------------|-------------|-------------|-------------|-------------|------------------|
| <u>AIE #1</u> | <u>P</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u>AHE #2</u> | <u>G</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u>AHE #4</u> | <u>J</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u>AHE #5</u> | <u>A</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u>AHE #6</u> | <u>B</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |
| <u>AHE #10</u> | <u>H</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Canyon</u> |

Production from the wells involved is as follows:

| <u>Well Name and No.</u> | <u>BOPD</u> | <u>Oil Gravity</u> | <u>MCFPD</u> |
|------------------------------------|-------------|--------------------|--------------|
| <u>Hillview AHE Fed Com #2</u> | <u>40</u> | <u>41.2</u> | <u>182</u> |
| <u>Hillview AHE Fed Com #4</u> | <u>41</u> | <u>41.2</u> | <u>301</u> |
| <u>Hillview AHE Fed Com #5</u> | <u>33</u> | <u>41.2</u> | <u>368</u> |
| <u>Hillview AHE Fed Com #6</u> | <u>16</u> | <u>41.2</u> | <u>199</u> |
| <u>Hillview AHE Fed Com #10</u> | <u>25</u> | <u>41.2</u> | <u>144</u> |
| <u>Hillview AHE Fed Com #12</u> | <u>151</u> | <u>41.2</u> | <u>394</u> |
| <u>Prickly Pear AIE Fed Com #1</u> | <u>101</u> | <u>41.2</u> | <u>610</u> |

Continued.....

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at SWNE Sec. 23, T 20 S, R 24 E, on lease No. CA SCR70, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Oil from each individual well will be measured by positive displacement, temperature compensated metering equipment prior to commingling on the surface.
Gas from the wells will also be metered separately.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

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 we have not already done so.

Signature: Rusty Klein

Name: Rusty Klein

Title: Production Clerk

Date: January 13, 1994

3

CHOLLA AGE FD
BAYL FD 1CHOLLA
○

2

CACTI AGE ST
● 1HUICHACHE AGE
● 2CATCLAW
○ 2CANDELLA "AKO" ST
● 2CANDELLA "AKO" ST
● 1CENIZA AGZ
● 1

1

FOSTER FF
● 2FOSTER FF
○FOSTER FF
● 1FOXTAL "AJK" FD
● 1OCOTILLO AGE FD
● 1CONOCO
○CONOCO AGE FD
● 1SAGUARO "AGS" FEDER
● 13SARA AHA
● 3HILLVIEW AHE FD
● 1DONAHUE FD
○ 1FD
○ 2CONOCO "AGK" FEDERA
● 12CONOCO "AGK" FD
● 7SAGUARO AGE FD
● 6SARA "AHA" COM
● 8HILLVIEW AHE FD
● 9

10

SAGUARO AGE FD
● 1SAGUARO "AGS" FD
○ 11CONOCO "AGK" FEDERA
● 10SARA AHA
● 1CENIZA AGZ
● 4FD
○ 1OCOTILLO
○ 2SARA "AHA"
○ 7SARA AHA
● 5SARA AHA
● 4SARA "AHA" COM
● 6CENIZA AGZ
● 2

12

SAGUARO AGE FD
● 2SARA AHA
● 2

15

CONOCO "AGK" FEDERA

20S 24E

JOHN AGU
● 1JOHN "AGU"
● 4JOHN AGU
● 2JOHN "AGU"
● 7JOHN "AGU"
● 5JOHN "AGU"
● 3JOHN AGU
● 4CENIZA AGZ
● 3

14

SAGUARO "AGS" FEDER
● 12SENITA AGE FD
● 1SAGUARO AGE FD
● 4HILLVIEW "AHE" FED
● 13HILLVIEW "AHE" FED
● 16SENITA "AGE" FEDERA
● 2SAGUARO "AGS" FD
● 8HILLVIEW AHE
● 8HILLVIEW AHE FD
● 7NOX FF
○ 1

13

CARL TP
○ 4CARL TP
○ 3SAGUARO AGE FD
○ 14SAGUARO AGE
● 9HILLVIEW AHE
● 6HILLVIEW AHE
● 5WAYER "24"
● 2WAYER
○ 1

22

CARL TP
○ 2FOSTER RANCH FD
○ 1CARL YB
○ 1HILLVIEW AHE FD
○ 14HILLVIEW AHE
● 11

23

HILLVIEW AHE FD
● 4HILLVIEW "AHE" FD
● 12HILLVIEW AHE FD
○ 15HILLVIEW AHE
● 3HILLVIEW "AHE" FEDE
● 17PRICKLY PEAR AGE FD
● 1PALO VERDE "AGE" FD
○ 2PALO VERDE "AGE" FE
● 1HUMBLE HORSE
○ 1

24

CONOCO
○

16

SAGUARO "AGS" FD
● 10CONOCO "AGK" FEDERA
● 5CONOCO "AGK" FD
● 4CHARLOTTE-MCKAY FED
● 2CHARLOTTE-MCKAY FE
○ 3

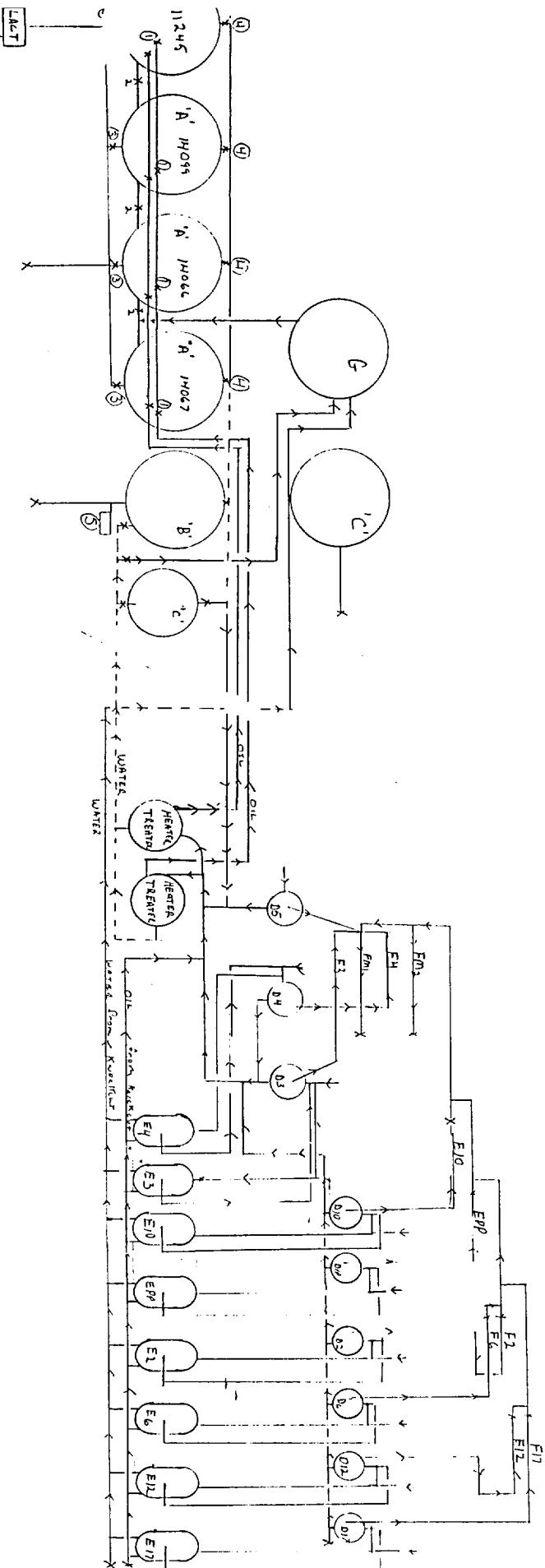
HELLVIEW AHE Fed Com #2 TANK BATTERY

LEASE NO. SCR #70

LEGAL DESCRI: SEC 23 T20S R24E

COUNTY EDDY NM

VATES Petro Corp



Hillview AHE Fed Com #2 TANK Battery

- ① OIL FILL LINES sealed during sales
- ② OIL Equalizer Lines sealed closed during sales
- ③ OIL SALES LINES sealed closed except during sales
- ④ Emergency Drains sealed closed
- ⑤ WATER TO AN APPROVED disposal system

A 500 BBL OIL STORAGE

B 500 BBL WATER STORAGE

C 210 BBL BS&W STORAGE

G 750 BBL Gun Barrel

D2 Hillview #2 Separator

D3 Hillview #3 " "

D4 Hillview #4 " "

D5 Hillview 5 " "

D6 Hillview 6 " "

D10 Hillview 10 " "

D12 Hillview 12 " "

D17 Hillview 17 " "

DPP Prickly Pear " "

E2 Hillview #2 WATER Knockout

E3 Hillview #3 "

E4 Hillview #4 "

E6 Hillview #6 "

E10 Hillview 10 " "

E12 Hillview 12 " "

E17 Hillview 17 " "

EPP Prickly Pear " "

FM1 MAIN METER #1 CDP

FM2 MAIN METER #2 CDP

F2 Hillview #2 METER RUN

F3 Hillview #3 "

F4 Hillview #4 "

F6 Hillview #6 "

F10 Hillview #10 "

F12 Hillview 12 "

F17 Hillview 17 "

FPP Prickly Pear "