

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.

NM-045274

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Hill View AHE Fed. Com. #2

9. API Well No.

30-015-23541

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

11. County or Parish, State

Eddy Co., NM

1. Type of Well

☐ Oil ☐ Gas ☐
☒ Well ☐ Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 S. 4th Street, Artesia, NM 88210 (505) 748-1471

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

1650' FNL & 1780' FEL Section 23-T20S-R24E (Unit G, SWNE)

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other **Surface Commingling & Storage**

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

Yates Petroleum Corporation respectfully request approval for surface commingling and off lease storage and measurement.

Please see attached application.

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

Signed

Amela L. Evans

Title

Production Secretary

Date 6/26/98

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) LES BABYAK

PETROLEUM ENGINEER

Date

AUG 14 1998

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

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL
This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88221-1778

Yates Petroleum Corporation (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. NM-86241; Lease Name: Hill View AHE.

| <u>Well</u> <u>No.</u> | <u>Loc.</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Rng.</u> | <u>Formation</u> |
|---------------------------|-------------|-------------|-------------|-------------|--------------------------------------|
| <u>2</u> | <u>G</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |
| <u>3</u> | <u>N</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |
| <u>4</u> | <u>J</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |
| <u>5</u> | <u>A</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |
| <u>6</u> | <u>B</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |

with hydrocarbon production from the following formation(s) and well(s) on a Federal lease: Hill View AHE.

| <u>Well</u> <u>No.</u> | <u>Loc.</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Rng.</u> | <u>Formation</u> |
|---------------------------|-------------|-------------|-------------|-------------|----------------------------|
| <u>10</u> | <u>H</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Undesignated Strawn</u> |

with hydrocarbon production from the following formation(s) and well(s) on a Federal lease: Prickly Pear AIE.

| <u>Well</u> <u>No.</u> | <u>Loc.</u> | <u>Sec.</u> | <u>Twp.</u> | <u>Rng.</u> | <u>Formation</u> |
|---------------------------|-------------|-------------|-------------|-------------|--------------------------------------|
| <u>1</u> | <u>P</u> | <u>23</u> | <u>20S</u> | <u>24E</u> | <u>Dagger Draw Upper Penn. South</u> |

Production from the well(s) involved is as follows:

| <u>Well Name and No.</u> | <u>BOPD</u> | <u>Oil Gravity</u> | <u>MCFPD</u> |
|--------------------------------------|-------------|--------------------|--------------|
| <u>Hill View AHE Fed. Com. #2</u> | <u>0</u> | <u>NA</u> | <u>0</u> |
| <u>Hill View AHE Fed. Com. #3</u> | <u>0</u> | <u>NA</u> | <u>13</u> |
| <u>Hill View AHE Fed. Com. #4</u> | <u>0</u> | <u>NA</u> | <u>0</u> |
| <u>Hill View AHE Fed. Com. #5</u> | <u>0</u> | <u>NA</u> | <u>0</u> |
| <u>Hill View AHE Fed. Com. #6</u> | <u>0</u> | <u>NA</u> | <u>0</u> |
| <u>Hill View AHE Fed. Com. #10</u> | <u>0</u> | <u>NA</u> | <u>11</u> |
| <u>Prickly Pear AIE Fed. Com. #1</u> | <u>0</u> | <u>NA</u> | <u>29</u> |

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

A map is enclosed showing the location of all the wells that will contribute production to the proposed commingling/common storage facility.

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

The storage and measuring facility is located at SWNE-1/4, Sec. 23, T20S, R24E, Federal lease Hill View AHE #2 Eddy Co. NM. BLM will be notified if there is any future change in the facility location.

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

Oil will be transported off lease prior to measurement and will be measured by turban metering equipment. Gas will also be measured separately. Total sales volume will be allocated back to individual wells based on daily well test.

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 purpose of the surface 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 build separate facilities for each well. This will greatly increase costs and shorten the economic life of the wells.

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.

Signature: Pamela S. Evans

Name: Pamela S. Evans

Title: Production Clerk

Date: 6-26-98

CONOCO "A" FIDION

20S 24E

CONOCO "A" FIDION

HELL NEW "A" FID

SIGMA "A" FIDION

SAGUARO "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

CARL TP

CARL TP

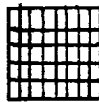
22

CARL TP

FOSTER BRANCH FID

CARL TP

CONOCO



Storage & Measurement Facility

16

SAGUARO "A" FID

CONOCO "A" FIDION

CONOCO "A" FID

23

HELL NEW "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

SAGUARO "A" FID

SAGUARO "A" FID

HELL NEW "A" FID

SAGUARO "A" FID

SAGUARO "A" FID

HELL NEW "A" FID

HELL NEW "A" FID

WATER

WATER "A" FID

WATER "A" FID

PAID VERDE "A" FID

PAID VERDE "A" FID

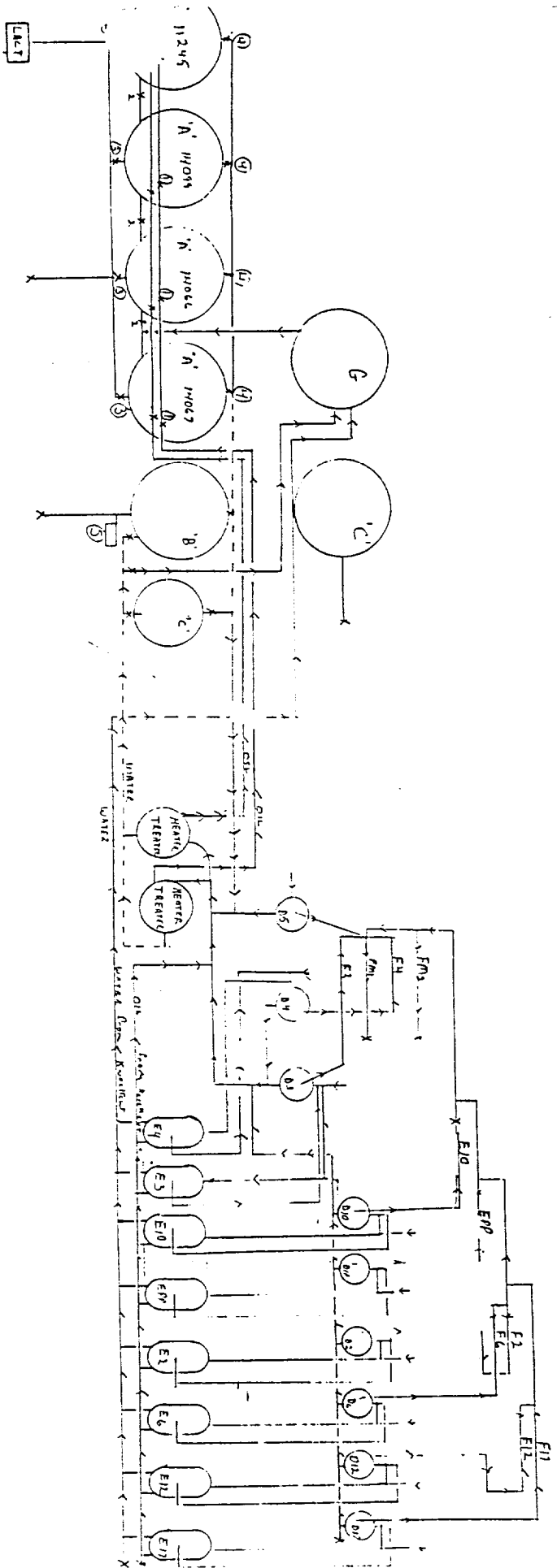
CHARLOTTE "A" FID

CHARLOTTE "A" FID

24

MURKIN "A" FID

YATES Petro Corp.



Hillview AHE Fed Conn #2 TMM 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 " "