

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL & GAS COMMISSION
Drawer DD
Artesia, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Use Designation and Serial No.

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	6. If Indian, Allottee or Tribe Name NM-043625
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1474 FEB - 9 1994	7. If Unit or CA, Agreement Designation NMNM82527
3. Address and Telephone No. 105 South 4th St., Artesia, NM 88210	8. Well Name and No. Saguaro AGS Federal Com #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FWL of Section 11-T20S-R24E (Unit L)	9. API Well No. 30-015-26206
	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 Surface Commingling, Off-Lease Storage & Measurement
	<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.)

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.)*

Please see attached form for surface commingling, off lease storage and measurement for the following wells:

Saguaro AGS Federal Com #1
1980' FSL & 660' FWL of
Section 11-T20S-R24E
Eddy County, New Mexico
Lease No.: NM-043625
CA No.: NMNM82527

Ocotillo ACI Federal Com #2 (gas well)
660' FSL & 660' FEL of
Section 10-T20S-R24E
Eddy County, New Mexico
Lease No.: NM-42787

Battery is located at the Saguaro AGS Federal Com #1.

See attached map.

Subject to
Approval
by State

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

Signed Rusty Klein Title Production Clerk Date Jan. 12, 1994

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh Title Petroleum Engineer Date 2/4/94

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

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. NM-043625 ; Lease Name: Saguaro AGS Federal Com
CA No. NMNM 82527

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>L</u>	<u>11</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. NM-42787 ; Lease Name: Ocotillo ACI Fed Com

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>2</u>	<u>P</u>	<u>10</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>

NOTE: BATTERY LOCATED AT SAGUARO AGS FEDERAL COM #1
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>Saguaro AGS Fed. Com #1</u>	<u>35</u>	<u>42.2</u>	<u>294</u>
<u>Ocotillo ACI Fed. Com #2</u>	<u>0</u>	<u>N/A</u>	<u>1244</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
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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 ^{NW/4} SW/4-1/4, Sec. 11, T 20 S, R 24 E, on lease No. 82527 (GA) 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:

Each individual well's production will be measured separately by positive displacement, temperature compensated metering equipment prior to commingling.
Gas will also be measured 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 12, 1994

ATTACHMENT I

DONAHUE FD
WD-1



FD
2



10

FD
1




OCOTILLO ACI FD
1



CONOCO



CONOCO AGK FD
1



SAGUARO "AGS" FEDER
13



SARA AHA
3



CONOCO "AGK" FEDERA
12




CONOCO "AGK" FD
7



SAGUARO AGS FD
6



SARA "AHA" COM
8



11


SAGUARO AGS FD
1



SAGUARO "AGS" FD
11



CONOCO "AGK" FEDERA
10



SARA AHA
1



OCOTILLO
2



SARA "AHA"
7



SARA AJA
5



SARA AHA
4



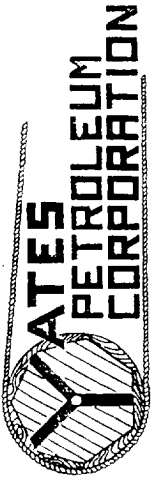
SARA "AHA" COM
6



Yates Petroleum Corporation		
NEW MEXICO		
SEC. 10, 11 T20S-R24E		
See legend	Scale 1"=200'	11/27/85

Yates Petroleum

Saguaro 'AGS' #1 Tank Battery
Sec. 11, T20S, R24E NM#043625
Eddy County

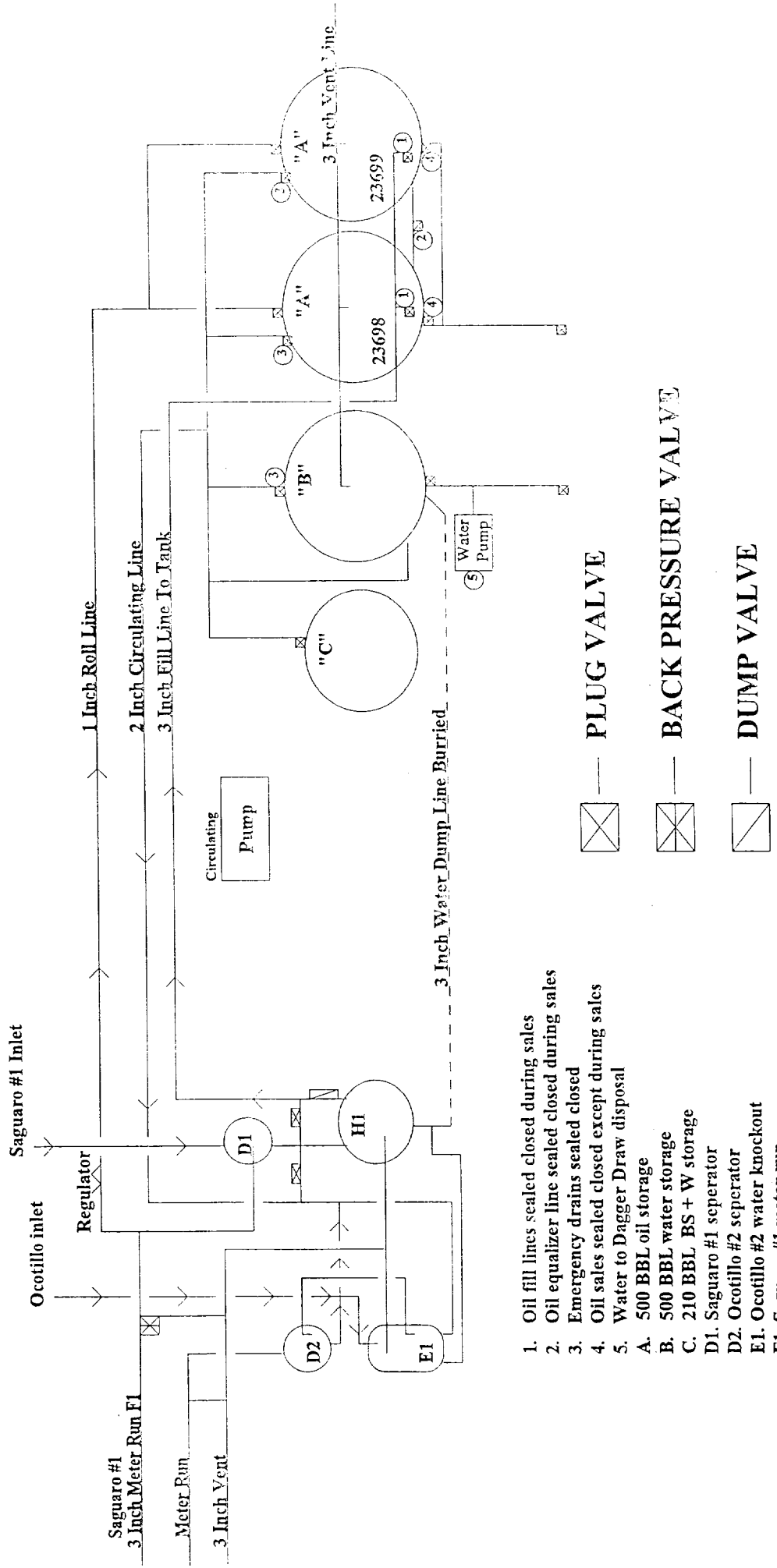


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210




RECEIVED

FEB 3 10 51 AM '94

CARLOS
AREA HEAD
OFFICE
STARS



1. Oil fill lines sealed closed during sales
2. Oil equalizer line sealed closed during sales
3. Emergency drains sealed closed
4. Oil sales sealed closed except during sales
5. Water to Dagger Draw disposal
- A. 500 BBL oil storage
- B. 500 BBL water storage
- C. 210 BBL BS + W storage
- D1. Saguaro #1 separator
- D2. Ocotillo #2 separator
- E1. Ocotillo #2 water knockout
- F1. Saguaro #1 meter run
- F2. Ocotillo #2 meter run
- G. Heater treater

 — PLUG VALVE
 — BACK PRESSURE VALVE
 — DUMP VALVE