

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION  
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**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <b>NM-043625</b>
2. Name of Operator <b>YATES PETROLEUM CORPORATION</b> <b>(505) 748-1471</b>	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. <b>105 South 4th St., Artesia, NM 88210</b>	7. If Unit or CA, Agreement Designation <b>NMNM84604</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1980' FSL &amp; 1980' FEL of Section 14-T20S-R24E (Unit J)</b>	8. Well Name and No. <b>Saguaro AGS Federal Com #4</b>
	9. API Well No. <b>30-015-26420</b>
	10. Field and Pool, or Exploratory Area <b>South Dagger Draw Upper Penn</b>
	11. County or Parish, State <b>Eddy Co., NM</b>

12. 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 <b>Surface Commingling, Off lease storage &amp; measurement</b>
	<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 list of attached wells.

The battery is located at the Saguaro AGS Federal Com #4 location. Please see the attached map and site facility diagram.

14. I hereby certify that the foregoing is true and correct		
Signed <u><i>Rusty Klein</i></u>	Title <u>Production Clerk</u>	Date <u>January 13, 1994</u>
(This space for Federal or State office use)		
Approved by <u>Orig. Signed by Adam Salameh</u>	Title <u>Petroleum Engineer</u>	Date <u>1/31/94</u>
Conditions of approval, if any:		

WELLS GOING INTO SAGUARO AGS FEDERAL COM #4 BATTERY LOCATED NWSE OF SECTION 14-T20S-R24E

CA No.: NMNM84604

Saguaro AGS Federal Com #4, NWSE (Unit J) of Section 14-T20S-R24E, Eddy Co., NM  
Saguaro AGS Federal Com #8, SWSE (Unit O) of Section 14-T20S-R24E, Eddy Co., NM  
Saguaro AGS Federal Com #12, NWSW (Unit L) of Section 14-T20S-R24E, Eddy Co., NM  
Senita AIP Federal Com #1, NESW (Unit K) of Section 14-T20S-R24E, Eddy Co., NM  
Senita AIP Federal Com #2, SESW (Unit N) of Section 14-T20S-R24E, Eddy Co., NM  
Hillview AHE Federal Com #8, SESE (Unit P) of Section 14-T20S-R24E, Eddy Co., NM  
Hillview AHE Federal Com #13, NESE (Unit I) of Section 14-T20S-R24E, Eddy Co., NM  
Hillview AHE Federal Com #16, SWSW (Unit M) of Section 14-T20S-R24E, Eddy Co., NM  
Hillview AHE Federal Com #17, SWSE (Unit O) of Section 23-T20S-R24E, Eddy Co., NM

CA No.: SCR70

Hillview AHE Federal Com #17, SWSE (Unit O) 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. SCR 70 ; Lease Name: Hillview AHE Fed Com

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>17</u>	<u>0</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 NMNM84604 ; Lease Name: Saguaro AGS Fed Com  
Hillview AHE Fed Com  
Senita AIP Fed Com

<u>AHE #16</u>	<u>M</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>Well</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>AHE #8</u>	<u>P</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AGS #4</u>	<u>J</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AGS #8</u>	<u>O</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AGS #12</u>	<u>L</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AIP #1</u>	<u>K</u>	<u>14</u>	<u>20S</u>	<u>24E</u>	<u>Canyon</u>
<u>AIP #2</u>	<u>N</u>	<u>14</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>Saguaro AGS Fed Com #4</u>	<u>41</u>	<u>41.1</u>	<u>119</u>
<u>Saguaro AGS Fed Com #8</u>	<u>70</u>	<u>41.1</u>	<u>316</u>
<u>Saguaro AGS Fed Com #12</u>	<u>43</u>	<u>41.1</u>	<u>93</u>
<u>Senita AIP Fed Com #1</u>	<u>36</u>	<u>41.1</u>	<u>150</u>
<u>Senita AIP Fed Com #2</u>	<u>50</u>	<u>41.1</u>	<u>181</u>
<u>Hillview AHE Fed Com #8</u>	<u>17</u>	<u>41.1</u>	<u>139</u>
<u>Hillview AHE Fed Com #13</u>	<u>40</u>	<u>41.1</u>	<u>147</u>
<u>Hillview AHE Fed Com #16</u>	<u>16</u>	<u>41.1</u>	<u>63</u>
<u>Hillview AHE Fed Com #17</u>	<u>119</u>	<u>41.1</u>	<u>194</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 NWSE Sec. 14, T 20 S, R 24 E, on lease No. CA NMNM84604 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.

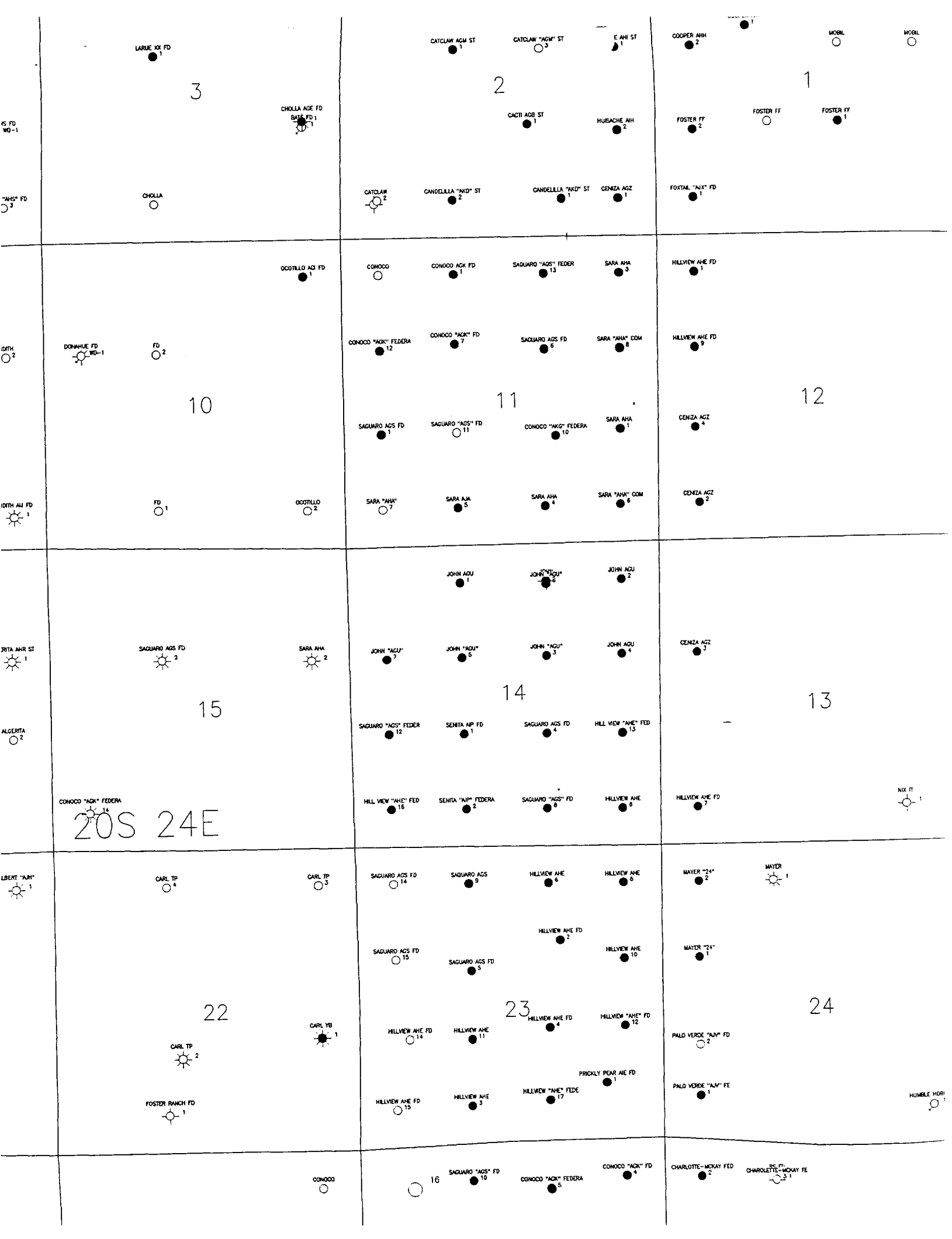
We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Signature: Rusty Klein

Name: Rusty Klein

Title: Production Clerk

Date: January 13, 1994



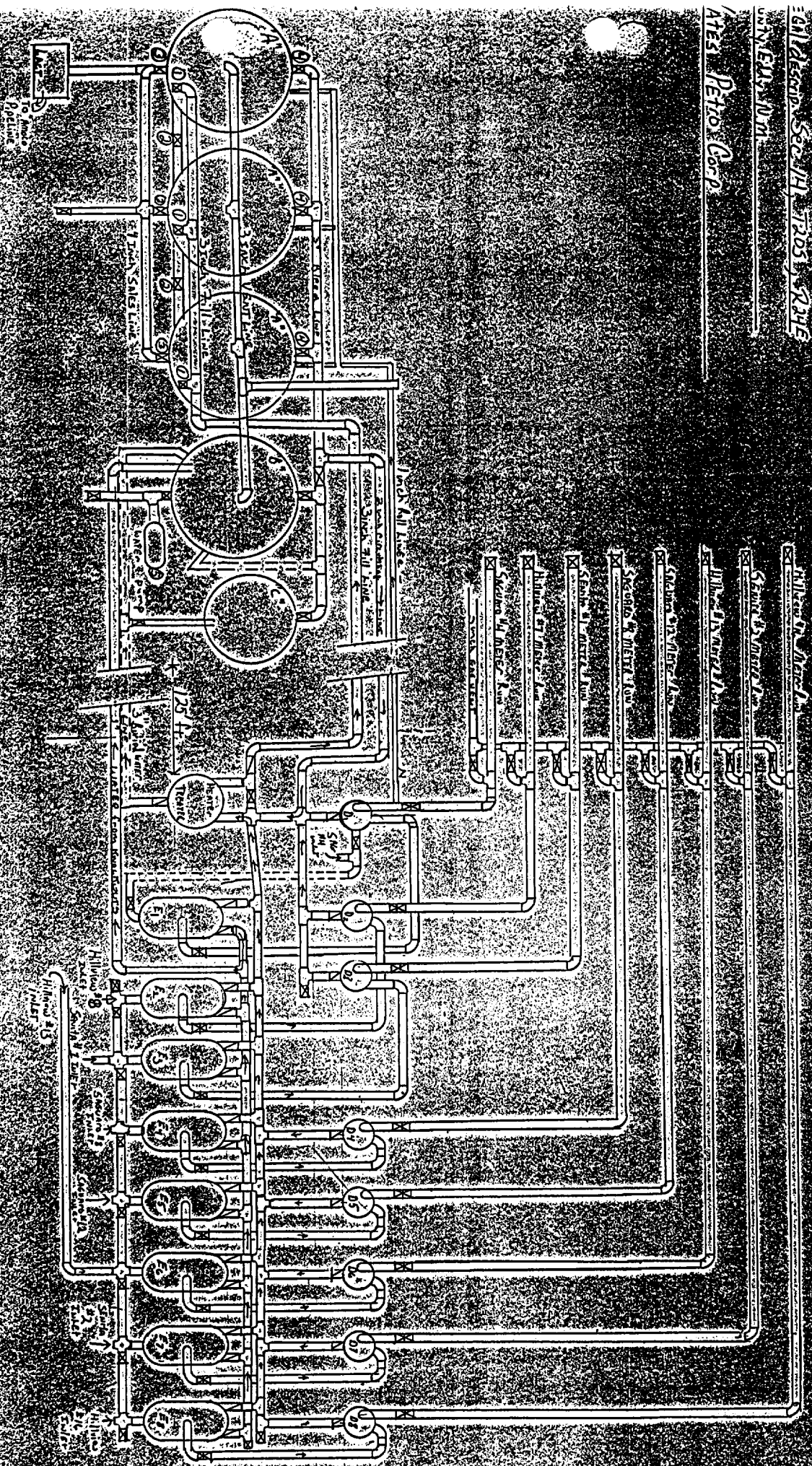
# "B" TANK BATTERY

AGEND. NO. 013425

ILLUSTR. SEC. 14, 1205, 1206

CONVENT. UNIT

ATES Petro Corp.





① Oil Fill Lines sealed closed during SALES

2 Oil Equilizer Line sealed closed during SALES

3 Oil SALES sealed closed EXCEPT during SALES

4 Emergency drains sealed closed

5 Water to Danger Draw disposal system

A - 500 BBL Oil Storage

B - 500 BBL Water Storage

C - 210 BBL D.S.O.W Storage

D1 SAGUARO #4 Separator

D2 Hillview #8 " "

D3 Sonita #1 " "

D4 SAGUARO #8 " "

D5 SAGUARO #12 " "

D6 Hillview #13 " "

D7 Sonita #2 " "

D8 Hillview #16 " "

E1 SAGUARO #4 WATER KNOCKOUT

E2 Hillview #8 " "

E3 Sonita #1 " "

E4 SAGUARO #8 " "

E5 SAGUARO #12 " "

E6 Hillview #13 " "

E7 Sonita #2 " "

E8 Hillview #16 " "