

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
811 S. 1st St. at
Artesia, N.M. 80401-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

Lease Designation and Serial No.
NM-043625

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

☒ Oil Well ☐ Gas 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)

2180' FNL & 1980' FWL Section 23-T20-R24E (Unit F, SENW)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Saguaro AGS Federal Com #5

9. API Well No.

30-015-26475

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

11. County or Parish, State

Eddy Co., NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ 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

Patricia S. Harris

Title

Production Secretary

Date 4/8/98

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

PETROLEUM ENGINEER

Date

APR 16 1998

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-043625; Lease Name: Saguaro AGS Federal Com. .

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>5</u>	<u>F</u>	<u>23</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>
<u>9</u>	<u>C</u>	<u>23</u>	<u>20S</u>	<u>24E</u>	<u>Cemetery Wolfcamp</u>

with hydrocarbon production from the following formation(s) and well(s) on a Federal Lease No. NM-86241; Lease Name: Hill View AHE Federal Com.

<u>11</u>	<u>K</u>	<u>23</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>
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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>Saguaro AGS Federal Com #5</u>	<u>0</u>	<u>NA</u>	<u>0</u>
<u>Saguaro AGS Federal Com #9</u>	<u>187.5</u>	<u>NA</u>	<u>0</u>
<u>Hill View AHE Federal Com #11</u>	<u>187.5</u>	<u>NA</u>	<u>0</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 SE1/4, Sec. 23, T20S, R24E, Federal lease Saguaro AGS Federal Com #5 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 turbine 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. Harris

Name: Pamela S. Harris

Title: Production Clerk

Date: 4-8-99

LI

HILL VIEW "AHE" FEDERATA "AP" FEDERA SAGUARO "AGS" FD HILLVIEW AHE

● 16

● 2

● 8

● 8

CARL TP
○ 3

SAGUARO AGS FD
○ 14

SAGUARO AGS

HILLVIEW AHE
● 6

HILLVIEW AHE
● 5

MA

SAGUARO AGS FD
○ 15

SAGUARO AGS FD

HILLVIEW AHE FD
● 2

HILLVIEW AHE
● 10

MA

CARL YB
● 1

HILLVIEW AHE FD HILLVIEW AHE
○ 14 ● 11

23 NEW AHE FD HILLVIEW "AHE" FD
● 4 ● 12

PALO VE

HILLVIEW AHE FD
○ 15

HILLVIEW AHE
● 3

HILLVIEW "AHE" FEDE
● 17

PRICKLY PEAR AHE FD
● 1

PALO VE

Lease No. RNM103

Storage & Measurement
Facility



SAGUARO FED. Com. #5 TANK BATTERY

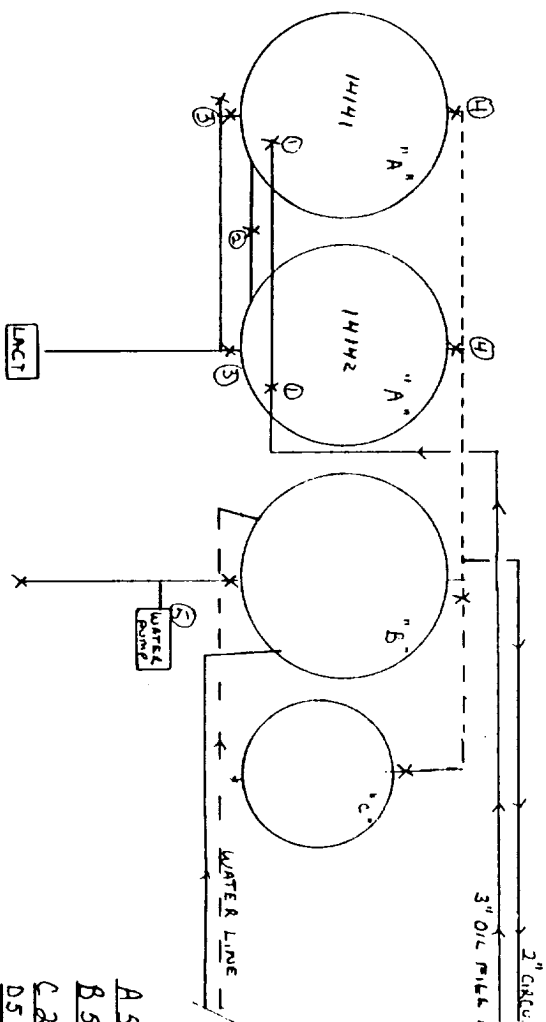
LEASE NO. NM NM 84608

LEGAL DESCRIP. Sec 23 T20S R24E

COUNTY: Eddy NM

YATES Petro Corp.

Site facility diagram on file:
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210



A.5.
B.5x
C.21
D.5
D.9
D.11
E.9
E.11
F.5
F.9
F.11

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

R. E. Chambers Jr.
2413 Clayton
Wichita Falls, TX 76308

Lollie Dee King Chambers
2413 Clayton
Wichita Falls, TX 76308

Alice Ann Hanks Freeman
P.O. Box 9087
Wichita Falls, TX 76308-9087

John Franklin Roe
19382 Surfdale
Huntington Beach, CA 92648

Bonnie Morrison
1200 California St, Apt. 17A
San Francisco, CA 94109-5075

Joan Roe Islas Trust
Carlsbad National Bank
P.O. Box 1359
Carlsbad, NM 88221

W.T. & Jeanette J. Probandt
415 W. Wall
Suite 2206
Midland, TX 79701

The Riggs-Mills Limited
P.O. Box 230430
Anchorage, AK 99523-0430

Wills Royalty, Inc.
P.O. Box 1658
Carlsbad, NM 88221-1658

Z 378 961 651

US Postal Service

Receipt for Certified Mail

R.E. Chambers Jr.

2413 Clayton

Wichita Falls, TX 76308

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Signed 5-9 - Hillman</i> <i>mailed 3-5-99</i>	

Z 378 961 652

US Postal Service

Receipt for Certified Mail

Lollie Dee King Chambers
2413 Clayton
Wichita Falls, TX 76308

PS Form 3800, April 1995

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Signario 5-9</i> <i>Hillman 11</i> <i>Mailed 3-5-99</i>	

Z 378 961 653

US Postal Service

Receipt for Certified Mail

Alice Ann Hanks Freeman
P.O. Box 9087
Wichita Falls, TX 76308-9087

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Logansport 5-9</i> <i>Hillview 11</i> <i>Mailed 3-5-99</i>	

Z 378 961 654

US Postal Service

Receipt for Certified Mail

John Franklin Roe
19382 Surfdale
Huntington Beach, CA 92648

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>San Diego 5+9</i> <i>mailed</i> <i>Shelton 11</i> <i>3-5-99</i>	

Z 378 961 655

US Postal Service

Receipt for Certified Mail

Bonnie Morrison

1200 California St.

Apt. 17A

San Francisco, CA 94109-5075

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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>San Francisco 5-49</i> <i>Mailed</i> <i>Fillmore 11</i> <i>3-5-99</i>	

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

Joan Roe Islas Trust
Carlsbad National Bank
P.O. Box 1359
Carlsbad, NM 88221

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Saguaro 5-9</i> <i>Hillview 11</i> <i>mailed 2-5-99</i>	

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided

W.T. & Jeanette J. Probandt

415 W. Wall

Suite 2206

Midland, TX 79701

PS Form 3800, April 1995

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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Square 5+9</i> <i>mailed</i> <i>Hillview 11</i> <i>3-5-99</i>	

Z 378 961 658

US Postal Service

Receipt for Certified Mail

The Riggs-Mills Limited
P.O. Box 230430
Anchorage, AK 99523-0430

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Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Saguaro 5+9</i> <i>Mailed</i> <i>Hillview 11</i> <i>3-5-99</i>	

Z 378 961 659

US Postal Service

Receipt for Certified Mail

Wills Royalty, Inc.

P.O. Box 1658

Carlsbad, NM 88221-1658

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Laguna 5-9</i> <i>Willow 11</i> <i>mailed 3-5-99</i>	

PS Form 3800, April 1995