

NMOCB

ds

Form 3160-5  
(June 1990)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-1372

6. If Indian Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Warren ANW Federal #1

9. API Well No.

30-015-27748

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, No.

11. County or Parish, State

Eddy Co., NM

## 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

(505) 748-1471

3. Address and Telephone No.

105 South 4th St., Artesia, NM 88210

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

1980' FSL &amp; 660' FWL of Section 9-T19S-R25E (Unit L, NWSW)

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,  
Etc.

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

Please see attached application for surface commingling, lease commingling, off-lease storage and measurement to update application approved January 20, 1994 (copy attached).

Also attached are maps and diagrams for your information.

RECEIVED

MAY 10 1996

OIL CON. DIV.  
DIST. 2

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

Signed

Title Production Clerk

Date April 8, 1996

(This space for Federal or State office use)

Approved by Orig. Signed by Shannon J. Shaw

Title

PETROLEUM ENGINEER

Date 5/8/96

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, LEASE  
COMMINGLING, OFF-LEASE STORAGE AND MEASUREMENT

Bureau of Land Management  
P. O. Box 1778  
Carlsbad, NM 88221-1778

Yates Petroleum Corporation is respectfully requesting approval for surface commingling, lease commingling, off-lease storage and measurement of hydrocarbon production for the following wells:

Roy AET #4, SWSE of Section 8-T19S-R25E, Fee Lease, Canyon Formation  
Roy AET #5, SESE of Section 8-T19S-R25E, Fee Lease, Canyon Formation  
Thomas AJJ #3, NWSE of Section 8-T19S-R25E, Fee Lease, Canyon Formation  
Thomas AJJ Com #4, SENE of Section 8-T19S-R25E, Fee Lease/CA No.: NMNM85319, Canyon  
Thomas AJJ #6, NESE of Section 8-T19S-R25E, Fee Lease, Canyon formation  
Warren ANW Federal #1, NWSW of Section 9-T19S-R25E, Federal Lease NM-1372, Canyon  
Warren ANW Federal #2, SWSW of Section 9-T19S-R25E, Federal Lease NM-1372, Canyon

Production from the wells involved is as follows:

Roy AET #4	76 BOPD, 98 MCFPD, 43.5 gravity
Roy AET #5	28 BOPD, 36 MCFPD, 43.5 gravity
Thomas AJJ #3	34 BOPD, 54 MCFPD, 43.5 gravity
Thomas AJJ #6	183 BOPD, 144 MCFPD, 43.5 gravity
Thomas AJJ Com #4	38 BOPD, 97 MCFPD, 43.5 gravity
Warren ANW Federal #1	83 BOPD, 91 MCFPD, 43.5 gravity
Warren ANW Federal #2	81 BOPD, 106 MCFPD, 43.5 gravity

A map is enclosed showing the location of the wells that contribute production to this commingling. A site security diagram is also attached showing the production equipment.

The common tank battery is located in the NWSE of Section 8-T19S-R25E at the Thomas AJJ #3 location (fee lease).

Oil will be measured by positive displacement, temperature compensated metering equipment prior to surface commingling. Gas will also be metered separately.

The working interest owners have been notified of this proposal. Application has been made to the Oil Conservation Division.

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

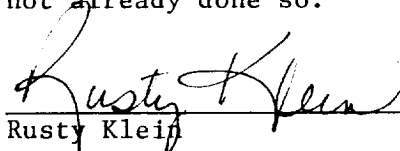
The proposed commingling is necessary for continued operation of the above mentioned leases.

Surface Commingling, Etc.:

Page 2:

April 8, 1996

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.

A handwritten signature in cursive script, appearing to read "Rusty Klein", is written over a horizontal line.

Rusty Klein  
Production Clerk  
April 8, 1996

ATTACHMENT I

Roy AET #4  
660' FSL & 1980' FEL  
Unit O, SWSE  
Section 8-T19S-R25E  
Eddy County, New Mexico  
Fee Lease

Thomas AJJ #3  
1980' FSL & 1980' FEL  
Unit J, NWSE  
Section 8-T19S-R25E  
Eddy County, New Mexico  
Fee Lease

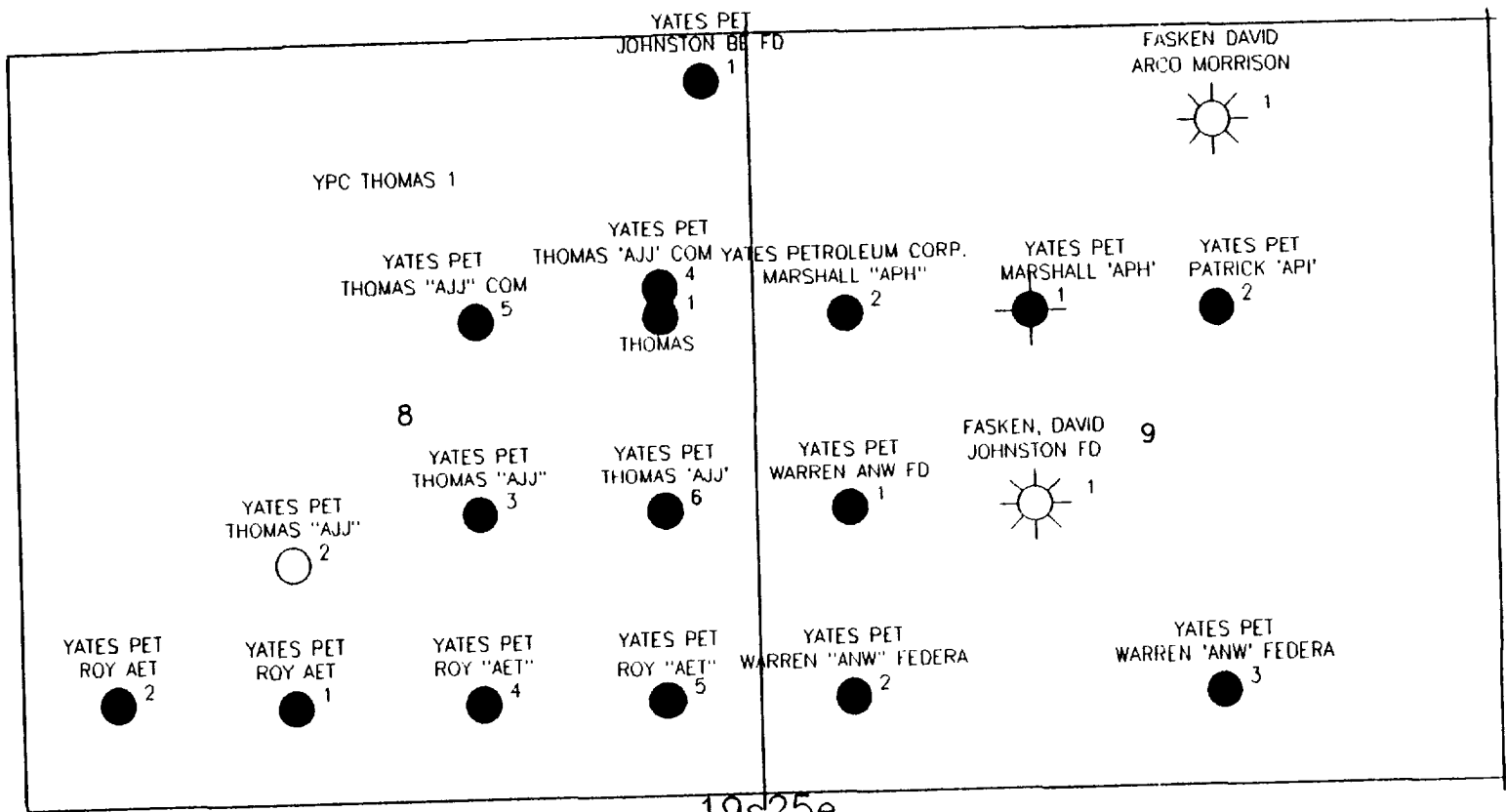
Thomas AJJ #6  
1980' FSL & 660' FEL  
Unit I, NESE  
Section 8-T19S-R25E  
Eddy County, New Mexico  
Fee Lease

Warren ANW Federal #2  
660' FSL & 660' FWL  
Unit M, SWSW  
Section 9-T19S-R25E  
Eddy County, New Mexico  
Federal Lease No.: NM-1372

Roy AET #5  
660' FSL & 660' FEL  
Unit P, SESE  
Section 8-T19S-R25E  
Eddy County, New Mexico  
Fee Lease

Thomas AJJ Com #4  
1780' FNL & 660' FEL  
Unit H, SENE  
Section 8-T19S-R25E  
Eddy County, New Mexico  
Fee Lease/CA No.: NMNM85319

Warren ANW Federal #1  
1980' FSL & 660' FWL  
Unit L, NWSW  
Section 9-T19S-R25E  
Eddy County, New Mexico  
Federal Lease No.: NM-1372

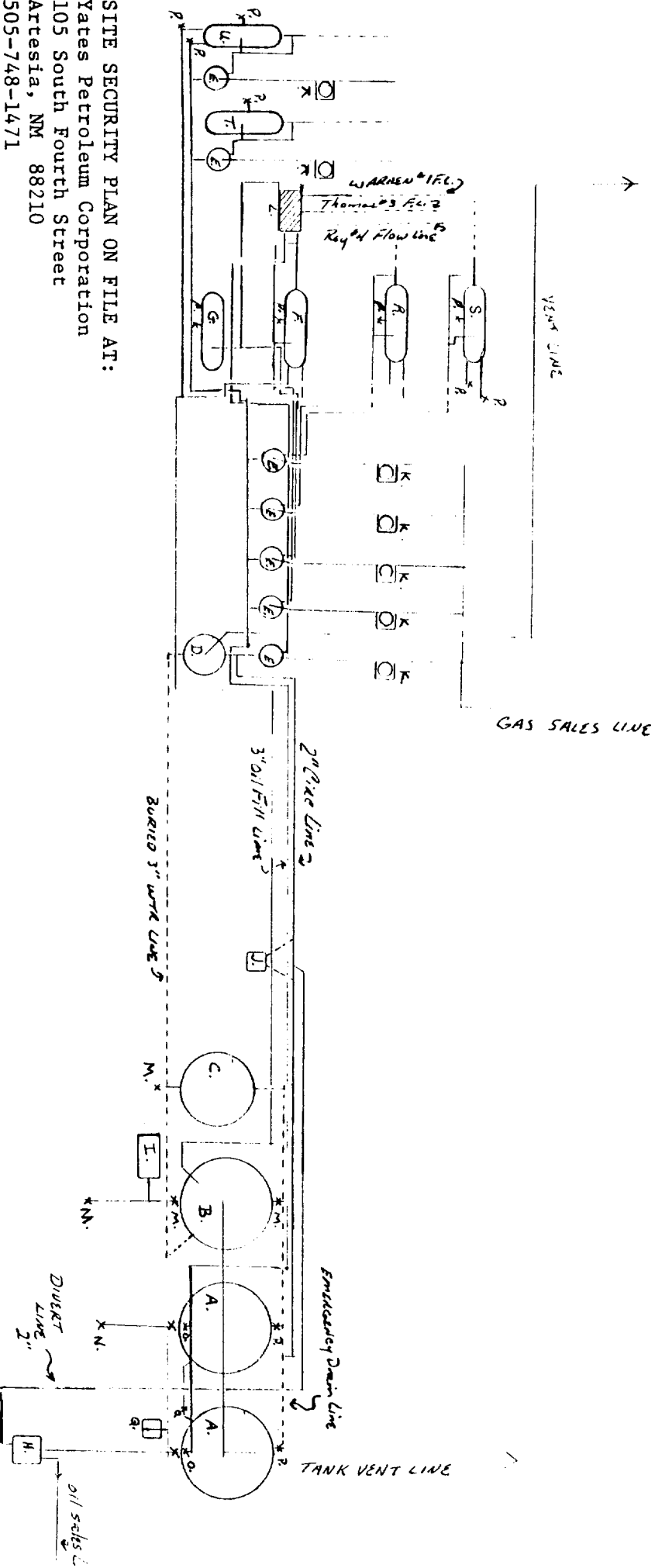


19s25e

Yates Petroleum Corporation		
NEW MEXICO BASE MAP 19S25E		
Jim Ferguson		3/25/98
	Scale 1:16000.	

Home All Care 3 Sec  
 1980 JSL + 1980 Fee  
 Sec. 8-19 5-253.  
 Ely Co. via  
 Fee lease

SITE SECURITY PLAN ON FILE AT:  
 Yates Petroleum Corporation  
 105 South Fourth Street  
 Artesia, NM 88210  
 505-748-1471



14. 500 BL. METAL STACK TANKS	1011. 3 1/2" Valve (Closed)
15. 500 BL. T.G. WATER TANKS	11. 4" Valve (Sole) Closed
16. 210 BL. F.L. OIL TANK	12. 3" Valve Open (Tank 11)
17. 210 BL. F.L. OIL TANK	13. 3" Valve (Sole) Closed
18. 210 BL. F.L. OIL TANK	14. Tank Level Gauge
19. 210 BL. F.L. OIL TANK	15. Tank Level Gauge
20. 210 BL. F.L. OIL TANK	16. Tank Level Gauge
21. 210 BL. F.L. OIL TANK	17. Tank Level Gauge
22. 210 BL. F.L. OIL TANK	18. Tank Level Gauge
23. 210 BL. F.L. OIL TANK	19. Tank Level Gauge
24. 210 BL. F.L. OIL TANK	20. Tank Level Gauge
25. 210 BL. F.L. OIL TANK	21. Tank Level Gauge
26. 210 BL. F.L. OIL TANK	22. Tank Level Gauge
27. 210 BL. F.L. OIL TANK	23. Tank Level Gauge
28. 210 BL. F.L. OIL TANK	24. Tank Level Gauge
29. 210 BL. F.L. OIL TANK	25. Tank Level Gauge
30. 210 BL. F.L. OIL TANK	26. Tank Level Gauge
31. 210 BL. F.L. OIL TANK	27. Tank Level Gauge
32. 210 BL. F.L. OIL TANK	28. Tank Level Gauge
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34. 210 BL. F.L. OIL TANK	30. Tank Level Gauge
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47. 210 BL. F.L. OIL TANK	43. Tank Level Gauge
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49. 210 BL. F.L. OIL TANK	45. Tank Level Gauge
50. 210 BL. F.L. OIL TANK	46. Tank Level Gauge
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61. 210 BL. F.L. OIL TANK	57. Tank Level Gauge
62. 210 BL. F.L. OIL TANK	58. Tank Level Gauge
63. 210 BL. F.L. OIL TANK	59. Tank Level Gauge
64. 210 BL. F.L. OIL TANK	60. Tank Level Gauge
65. 210 BL. F.L. OIL TANK	61. Tank Level Gauge
66. 210 BL. F.L. OIL TANK	62. Tank Level Gauge
67. 210 BL. F.L. OIL TANK	63. Tank Level Gauge
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69. 210 BL. F.L. OIL TANK	65. Tank Level Gauge
70. 210 BL. F.L. OIL TANK	66. Tank Level Gauge
71. 210 BL. F.L. OIL TANK	67. Tank Level Gauge
72. 210 BL. F.L. OIL TANK	68. Tank Level Gauge
73. 210 BL. F.L. OIL TANK	69. Tank Level Gauge
74. 210 BL. F.L. OIL TANK	70. Tank Level Gauge
75. 210 BL. F.L. OIL TANK	71. Tank Level Gauge
76. 210 BL. F.L. OIL TANK	72. Tank Level Gauge
77. 210 BL. F.L. OIL TANK	73. Tank Level Gauge
78. 210 BL. F.L. OIL TANK	74. Tank Level Gauge
79. 210 BL. F.L. OIL TANK	75. Tank Level Gauge
80. 210 BL. F.L. OIL TANK	76. Tank Level Gauge
81. 210 BL. F.L. OIL TANK	77. Tank Level Gauge
82. 210 BL. F.L. OIL TANK	78. Tank Level Gauge
83. 210 BL. F.L. OIL TANK	79. Tank Level Gauge
84. 210 BL. F.L. OIL TANK	80. Tank Level Gauge
85. 210 BL. F.L. OIL TANK	81. Tank Level Gauge
86. 210 BL. F.L. OIL TANK	82. Tank Level Gauge
87. 210 BL. F.L. OIL TANK	83. Tank Level Gauge
88. 210 BL. F.L. OIL TANK	84. Tank Level Gauge
89. 210 BL. F.L. OIL TANK	85. Tank Level Gauge
90. 210 BL. F.L. OIL TANK	86. Tank Level Gauge
91. 210 BL. F.L. OIL TANK	87. Tank Level Gauge
92. 210 BL. F.L. OIL TANK	88. Tank Level Gauge
93. 210 BL. F.L. OIL TANK	89. Tank Level Gauge
94. 210 BL. F.L. OIL TANK	90. Tank Level Gauge
95. 210 BL. F.L. OIL TANK	91. Tank Level Gauge
96. 210 BL. F.L. OIL TANK	92. Tank Level Gauge
97. 210 BL. F.L. OIL TANK	93. Tank Level Gauge
98. 210 BL. F.L. OIL TANK	94. Tank Level Gauge
99. 210 BL. F.L. OIL TANK	95. Tank Level Gauge
100. 210 BL. F.L. OIL TANK	96. Tank Level Gauge

ATTACHMENT III

Working Interest, Royalty Interest and Overriding Royalty Interest Owners:  
Thomas AJJ #3, Thomas AJJ #4, Thomas AJJ #6, Roy AET #4, Roy AET #5, Warren ANW  
Federal #1 and Warren ANW Federal #2

---

Conoco, Inc.  
10 Desta Drive - Suite 100W  
Midland, TX 79705-4500

Bettianne Hinkle Bowen  
Sole & Separate Property  
1902 Ivanhoe Lane  
Abilene, TX 79605

James W. Childress  
P. O. Box 209  
Roswell, NM 88202

Shirley Childress  
604 N. Delaware Ave. #2  
Roswell, NM 88201-2135

Lynn E. Desper  
50 Coronado Road  
Corrales, NM 87048-9520

Sally A. Ellis  
Sole & Separate Property  
771 Crescent Drive  
Boulder, CO 80303

R. R. Hinkle Company, Inc.  
P. O. Box 59  
Roswell, NM 88202-0059

John T. Hinkle  
P. O. Box 1793  
Roswell, NM 88201

Cynthia Hinkle Lackey  
Trustee F/O/B Kristin Hinkle  
and Jean Hinkle  
519 Loma Alta  
Carmel, CA 93923

Charles E. Hinkle  
Sole & Separate Property  
P. O. Box 1030  
King City, CA 93930

Lillian T. Hinkle  
P. O. Box 2002  
Roswell, NM 88202

James Lisle Hinkle  
P. O. Box 2002  
Roswell, NM 88202

Richard H. Landsheft, Jr.  
2313 Jim Dent  
El Paso, TX 79936

William Brian Landsheft  
Route 6  
15880 S. Peoria  
Bixby, OK 74008

Claribel Y. Marshall  
P. O. Box 1712  
Roswell, NM 88202-1712

McQuiddy Communications & Energy, Inc.  
P. O. Box 2072  
Roswell, NM 88201

Don Phillips & Associates  
c/o Donald W. Newton  
1416 Meeting House Land  
Knoxville, TN 37931

Quetico Superior Foundation  
220 South 6th Street  
Minneapolis, MN 55402-1498

R. E. Chambers, Jr.  
Personal Rep. of the Estate  
of Robert E. Chambers, Deceased  
2413 Clayton  
Wichita Falls, TX 76308

Lollie Dee King Chambers  
2413 Clayton  
Wichita Falls, TX 76308

ATTACHMENT III - CONTINUED

Page 2:

Florence M. Essman Curry  
804 Palomino  
Midland, TX 79705

Alice Ann Hanks Freeman  
P. O. Box 4143  
Wichita Falls, TX 76308

Texas National Bank  
F/A/O Mike H. Roberts, whose  
Barbara D. Roberts  
P. O. Box 3090  
Midland, TX 79702

Sterling M. Carter  
HAM-Acct. 011000028  
P. O. Box 33022  
St. Petersburg, FL 33733-8022

Cauhape Properties Partnership  
P. O. Box 1304  
Artesia, NM 88210

Jessie Marie Gallivan  
UNM of Carlsbad #0596094  
P. O. Box 1689  
Carlsbad, NM 88221-1689

Anabel Harris  
1519 Vineyard Lane  
Carlsbad, NM 88220

Howard or Betty Howell  
Box 75  
Lakewood, NM 88254

Hugh M. Kincaid DO NOT SEND CERTIFIED  
Queen Route  
Carlsbad, NM 88220

Lou Ann Langford  
404 E. 55th Street - Apt. 10B  
New York, NY 10022-5137

Gayle Glass Roche  
P. O. Box 50248  
Austin, TX 78763

James H. Essman  
P. O. Box 302  
Midland, TX 79702

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

Marshall & Winston, Inc.  
P. O. Box 50880  
Midland, TX 79710-0880

Michael Carter  
1021 Plaza Drive  
Granbury, TX 76048

Alfred Foy Curry, IV  
1016 Alta Loma Circle  
San Angelo, TX 76901

Mary Ann Milner Glass  
517 S. Adams Street  
San Angelo, TX 76901-4501

Richard M. Howell  
Box 94  
Lakewood, NM 88254

Hugh M. Kincaid DO NOT SEND CERTIFIED  
Trustee for Ella Lavada Swope Trust  
Queen Route  
Carlsbad, NM 88220

Jefferson Milner Langford  
P. O. Box 22205  
Santa Fe, NM 87502

Robert Glass Langford  
Route 3, Box 49  
Lockhart, TX 78644

Allison Claire Saunders  
P. O. Box 50327  
Austin, TX 78763-0327



ATTACHMENT III - CONTINUED

Page 3:

Thelma K. Schafer  
906 Hermosa  
Artesia, NM 88210

Mary Ann Glass Taylor  
517 S. Adams Street  
San Angelo, TX 76901

Gayle Elizabeth Turner  
1211 Marshall Lane  
Austin, TX 78703

Brooks Oil & Gas Interests  
A Texas General Partnership  
9550 Skillman - Suite 400  
Dallas, TX 75243

Rolla R. Hinkle III  
A Single Man  
P. O. Box 59  
Roswell, NM 88202-0059

A. M. Routh  
P. O. Box 172216  
Arlington, TX 76003-2216

Donald L. Zink  
3497 Birdsong Avenue  
Thousand Oaks, CA 91360

James N. Coll  
P. O. Box 1818  
Roswell, NM 88202-1818

Max W. Coll II DO NOT SEND CERTIFIED  
Route 9, Box 72 F  
Santa Fe, NM 87505

Everett R. Sharp  
7042 Turtle Creek Lane  
Dallas, TX 75205-1263

Sunwest Bank of Albuquerque  
Successor Trustee of T. J.  
and Mary Kay Sivley Trust  
P. O. Box 26900  
Albuquerque, NM 87125

Kenna Carter Scott  
Route 3, Box 329  
Big Spring, TX 79720

Ray Neil Thomas  
704 W. Riverside Drive  
Carlsbad, NM 88220

Payne-Johnston Management, Inc.  
812 First Place  
Tyler, TX 75702

Madison M. Hinkle  
P. O. Box 59  
Roswell, NM 88202-0059

Greg S. Johnson  
2011 Barnett  
Roswell, NM 88201

Marjorie Ann Routh  
P. O. Box 172216  
Arlington, TX 76003-2216

Charles H. Coll  
P. O. Box 1818  
Roswell, NM 88202-1818

Jon F. Coll  
P. O. Box 1818  
Roswell, NM 88202-1818

Barbara Fasken  
Sole & Separate Property  
303 W. Wall - Suite 1900  
Midland, TX 79701-5116

Estate of Sue P. Sharp  
Everett R. Sharp, Ind. Executor  
7042 Turtle Creek Lane  
Dallas, TX 75205-1263

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**OPERATOR'S COPY**

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-1372</b>
2. Name of Operator <b>YATES PETROLEUM CORPORATION</b> (505) 748-1471	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
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1980' FSL &amp; 660' FWL (Unit L) of Section 9-T19S-R25E</b>	8. Well Name and No. <b>Warren ANW Federal #1</b>
	9. API Well No. <b>30-015-26748</b>
	10. Field and Pool, or Exploratory Area <b>North Dagger Draw Upper Penn</b>
	11. County or Parish, State <b>Eddy County, New Mexico</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"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Off lease measurement, surface commingling &amp; lease commingling</u>	<input type="checkbox"/> Dispose Water

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:

Thomas AJJ #3, 1980' FSL & 1980' FEL (Unit J) of Section 8-T19S-R25E, Eddy County, New Mexico  
Roy AET #4, 660' FSL & 1980' FEL (Unit O) of Section 8-T19S-R25E, Eddy County, New Mexico  
Warren ANW Federal #1, 1980' FSL & 660' FWL (Unit L) of Section 9-T19S-R25E, Eddy County, NM

Battery location is at the Thomas AJJ #3.

See attached maps and facility diagram.

14. I hereby certify that the foregoing is true and correct		
Signed <u>Rusty Klein</u>	Title <u>Production Clerk</u>	Date <u>Jan. 6, 1994</u>
(This space for Federal or State office use)		
Approved by <u>Joe A. Lora</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>1/20/94</u>
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-1372 ; Lease Name: Warren ANW Federal

<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>9</u>	<u>19S</u>	<u>25E</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 two fee leases as follows: Thomas AJJ #3 and the Roy AET #4

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>3</u>	<u>J</u>	<u>8</u>	<u>19S</u>	<u>25E</u>	<u>Canyon</u>
<u>4</u>	<u>O</u>	<u>8</u>	<u>19S</u>	<u>25E</u>	<u>Canyon</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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>Thomas AJJ #3</u>	<u>40</u>	<u>43.4</u>	<u>48</u>
<u>Roy AET #4</u>	<u>127</u>	<u>43.4</u>	<u>134</u>
<u>Warren ANW Federal #1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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>

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 SE/4 -1/4, Sec. 8, T 19 S, R 25 E, on lease No. ~~fee lease~~ 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 of the wells will be measured by positive displacement, temperature compensated metering equipment prior to surface commingling. Gas 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.

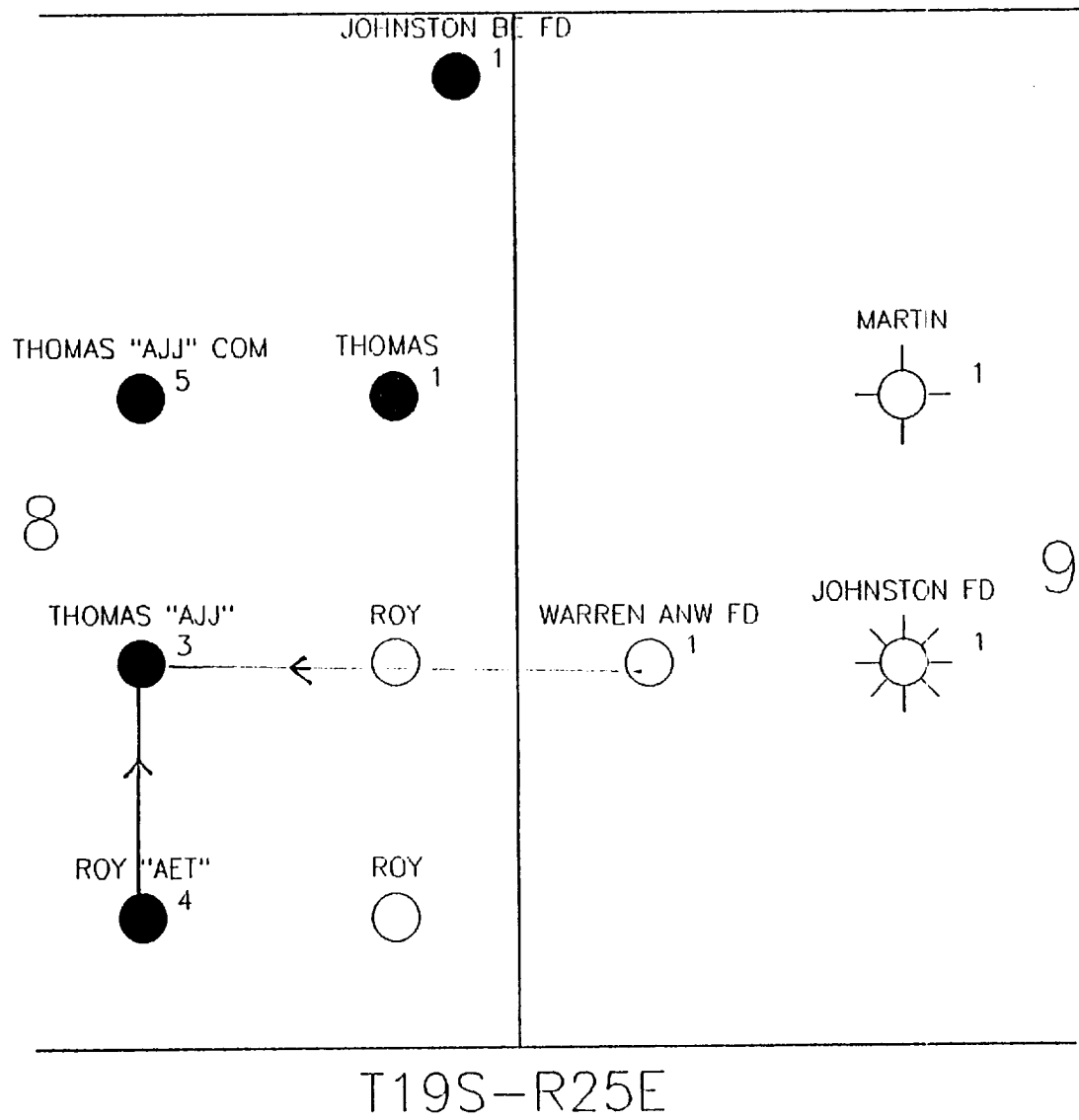
Signature: Rusty Klein

Name: Rusty Klein

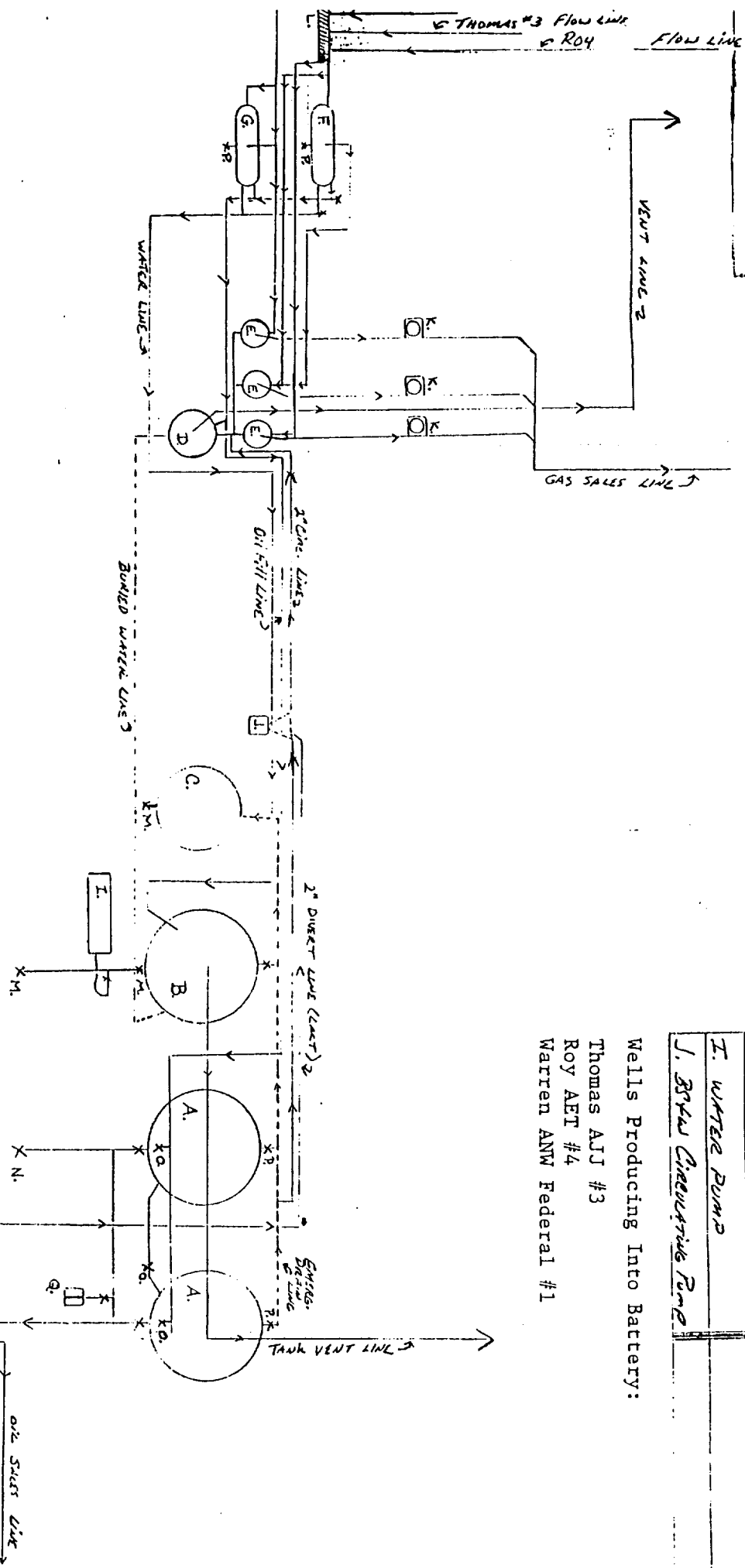
Title: Production Clerk

Date: January 6, 1994

ATTACHMENT I



101145 AJJ Com BATT  
 80' EST #1980' EST  
 c. 8-19 5-25 E.  
 BY County NM  
 EEE LEASE



A. 500 GAL. FIBERGLASS WTR. TANK	L. Flow Line Header
B. 210 GAL. FIBERGLASS 65th TANK	M. 3" Plug Valve closed
C. HEATER TRANSFER	N. 4" Plug Valve Spool Closed
D. VERTICAL GAS SEPARATORS	O. 3" Plug Valves open for Tank 1
E. ROY #1 (TEST UNIT)	P. 3" Plug Valves Spool closed
F. HORIZONTAL 3-PHASE SEPARATOR	Q. TANK LEVEL GAUGES
G. HORIZONTAL 3-PHASE SEPARATOR	
H. LACT UNIT (oil/sales)	
I. WATER PUMP	
J. 80gal Circulating Pump	

Wells Producing Into Battery:

- Thomas AJJ #3
- Roy AET #4
- Warren ANW Federal #1