

0151

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

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. NM-0559175
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 105 South 4th St., Artesia, NM 88210	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FWL of Section 29-T19S-R25E (Unit M, SWSW)	8. Well Name and No. Aspden AOH Federal Com #1
	9. API Well No. 30-015-28050
	10. Field and Pool, or Exploratory Area N. Dagger Draw Upper Penn
	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	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" 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>Surface Commingling, Etc.</u>	<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 the attached application for surface commingling, lease commingling, off-lease storage and measurement for the wells listed below:

- Boyd X State Com #2
- Boyd X State Com #4
- Aspden AOH Federal Com #1
- Aspden AOH Federal Com #2
- Boyd X State #3
- Boyd X State #5
- Boyd X State #6

RECEIVED

MAY 14 1996

OIL CON. DIV.
DIST. 2



14. I hereby certify that the foregoing is true and correct		
Signed <u><i>Rusty J. Shaw</i></u>	Title <u>Production Clerk</u>	Date <u>April 12, 1996</u>
(This space for Federal or State office use)		
Approved by <u>Signed by Shannon J. Shaw</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>5/10/96</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.

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 respectfully requests approval for surface commingling, lease commingling, off-lease storage and measurement of hydrocarbon production from the following wells covered under Com Agreement No.: NMNM88509:

Boyd X State Com #2, NWSW of Section 29-T19S-R25E	Canyon formation
Boyd X State Com #4, NESW of Section 29-T19S-R25E	Canyon formation
Aspden AOH Federal Com #1, SWSW of Section 29-T19S-R25E	Canyon formation
Aspden AOH Federal Com #2, SESW of Section 29-T19S-R25E	Canyon formation

with hydrocarbon production from the following wells on State Lease No.: E-10167:

Boyd X State #3, NWSE of Section 29-T19S-R25E	Canyon formation
Boyd X State #5, NESE of Section 29-T19S-R25E	Canyon formation
Boyd X State #6, SWSE of Section 29-T19S-R25E	Canyon formation

Production from the wells involved is as follows:

Aspden AOH Federal Com #1	101 BOPD	111 MCFPD	43.9 gravity
Aspden AOH Federal Com #2	519 BOPD	698 MCFPD	43.9 gravity
Boyd X State Com #2	100 BOPD	177 MCFPD	43.9 gravity
Boyd X State Com #4	56 BOPD	164 MCFPD	43.9 gravity
Boyd X State #3	163 BOPD	144 MCFPD	43.9 gravity
Boyd X State #5	287 BOPD	176 MCFPD	43.9 gravity
Boyd X State #6	786 BOPD	946 MCFPD	43.9 gravity

A map is enclosed showing the location of all the wells. Also enclosed is a Site Security Diagram for the battery.

The storage facility is located at the Boyd X State #2, NWSW of Section 29-T19S-R25E, on CA No.: NMNM88509.

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.

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

Surface Commingling, Etc.

Page 2:

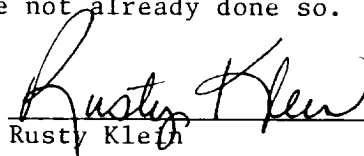
April 12, 1996

The working interest, royalty interest and overriding royalty interest owners have been notified. The Oil Conservation Division and the Commissioner of Public Lands have also been notified.

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.

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 12, 1996