

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division  
911 S. 1st Street  
Artesia, NM 88210-2834

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

5. Lease Designation and Serial No.

NM-0553777

6. If Indian, Allottee or Tribe Name

**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 ☐ Gas ☐  
☒ Well ☐ 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)

810' FNL & 660' FWL, Sec. 32-T19S-R25E (Unit D, NWNW)

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Joyce Federal Com #1

9. API Well No.

30-015-28208

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, North

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

☐ Notice of Intent

☐ Abandonment

☐ Change of Plans

☒ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Final Abandonment Notice

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Altering Casing

☐ Conversion to Injection

☒ Other Surface Commingling & Storage

☐ 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 Pamela L. Evans

Title Production Secretary

Date 4/16/98

(This space for Federal or State office use)

(ORIG. SGD.) **DAVID R. GLASS**

Title **PETROLEUM ENGINEER**

Date **APR 23 1998**

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.

**CONDITIONS OF APPROVAL**

\*See Instruction on Reverse Side

**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-0553777; Lease Name: Joyce Federal Com .

<u>Well</u>					
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>D</u>	<u>32</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>2</u>	<u>C</u>	<u>32</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>

with hydrocarbon production from the following formation(s) and well(s) on a Fee lease: Dagger ZW

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>K</u>	<u>30</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>2</u>	<u>I</u>	<u>25</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>3</u>	<u>L</u>	<u>30</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>

with hydrocarbon production from the following formation(s) and well(s) on a Fee lease: Pincushion AHN

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>M</u>	<u>30</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>2</u>	<u>J</u>	<u>25</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>3</u>	<u>N</u>	<u>30</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>

with hydrocarbon production from the following formation(s) and well(s) on a State lease: Savannah State

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>A</u>	<u>32</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>2</u>	<u>B</u>	<u>32</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>

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>Joyce Federal Com #1</u>	<u>15.46</u>	<u>45.1</u>	<u>99.57</u>
<u>Joyce Federal Com #1</u>	<u>16.36</u>	<u>45.1</u>	<u>97.61</u>
<u>Dagger ZW #1</u>	<u>1.54</u>	<u>44.3</u>	<u>49.89</u>
<u>Dagger ZW #2</u>	<u>3.61</u>	<u>44.3</u>	<u>19.04</u>
<u>Dagger ZW #3</u>	<u>6.29</u>	<u>44.3</u>	<u>18.75</u>
<u>Pincushion AHN #1</u>	<u>3</u>	<u>44.3</u>	<u>21.96</u>
<u>Pincushion AHN #2</u>	<u>5.12</u>	<u>44.3</u>	<u>24.12</u>
<u>Pincushion AHN #3</u>	<u>12.93</u>	<u>44.3</u>	<u>113.18</u>
<u>Savannah State #1</u>	<u>72.43</u>	<u>45.1</u>	<u>211</u>
<u>Savannah State #2</u>	<u>4.04</u>	<u>45.1</u>	<u>29.36</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 NESW-1 4, Sec. 30, T19S, R25E, Fee lease Dagger ZW #1 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 positive displacement, temperature compensated 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.

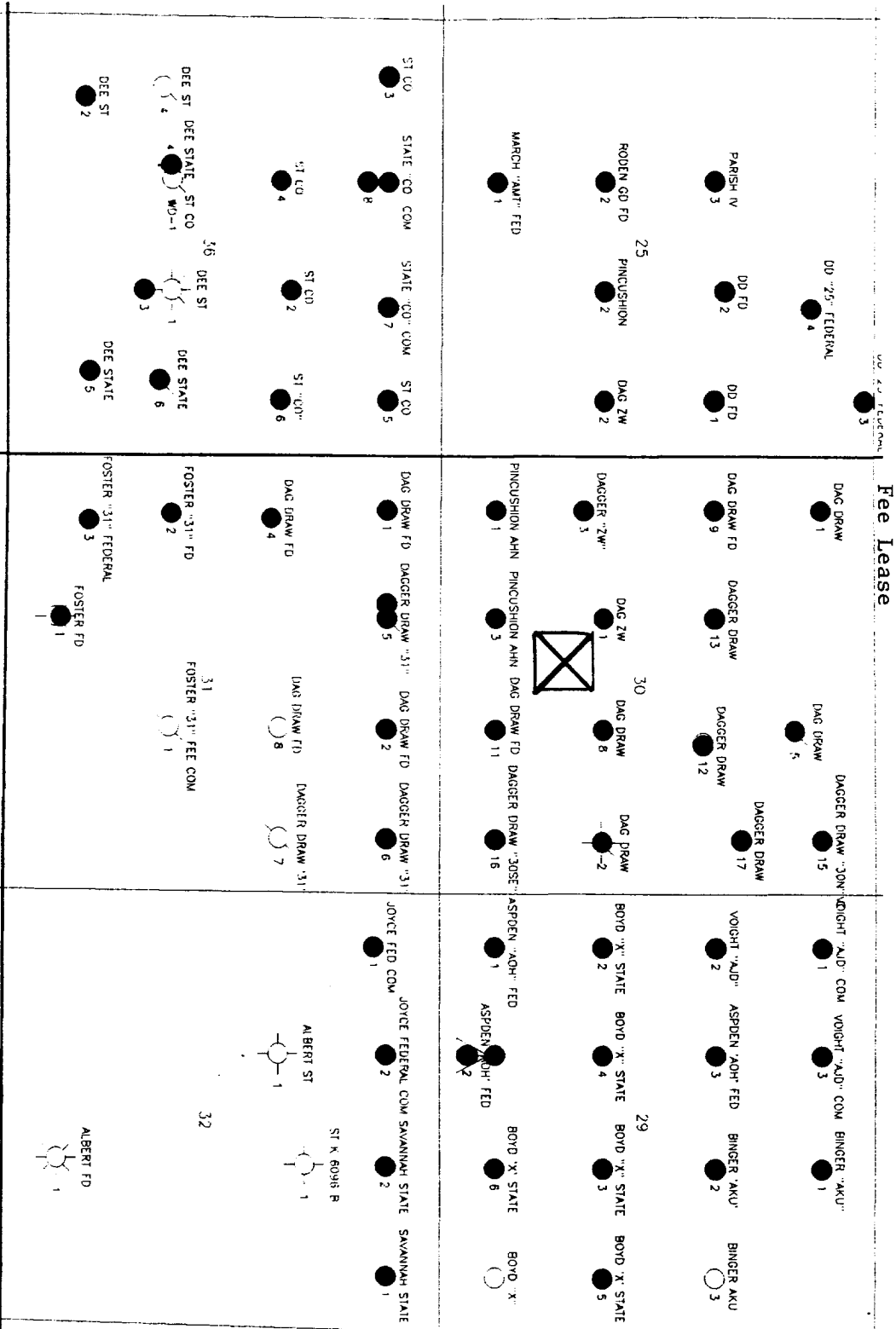
Signature: Pamela S. Evans

Name: Pamela S. Evans

Title: Production Clerk

Date: \_\_\_\_\_

# Fee Lease



Storage & Measurement  
Facility

YATES PETROLEUM CORPORATION		
NEW MEXICO		
DAGGER DRAW 'ZW'		
Prop SD DAGGER ZW	3/17/98	P. Evans
Pres sdgzw gpl	Scale 1/24000	S. Davidson