

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, 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. LC-064488E; Lease Name: Ottawa AOW Federal.

<u>Well</u>					
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>2</u>	<u>M</u>	<u>3</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>3</u>	<u>B</u>	<u>10</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: Patrick API. Well

<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>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>2</u>	<u>G</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>3</u>	<u>A</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>
<u>4</u>	<u>E</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn. North</u>

Production from the well involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Ottawa AOW Fed. #2</u>	<u>279</u>	<u>42.6</u>	<u>800</u>
<u>Ottawa AOW Fed. #3</u>	<u>171</u>	<u>42.6</u>	<u>233</u>
<u>Patrick API #1</u>	<u>166</u>	<u>42.2</u>	<u>364</u>
<u>Patrick API #2</u>	<u>90</u>	<u>42.2</u>	<u>170</u>
<u>Patrick API #3</u>	<u>329</u>	<u>42.6</u>	<u>675</u>
<u>Patrick API #4</u>	<u>Not drilled yet.</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 NWNW-1/4, Sec. 10, T19S, R25E, on Fee lease Patrick API #1, Eddy County, New Mexico. 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:

Continued.