

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
Budget Bureau No. 10000135
Reports: NM 10-21, 1993

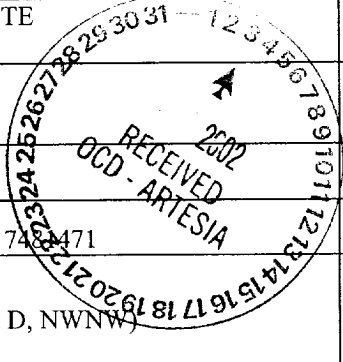
C151

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 <input type="checkbox"/> Well <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-89143
2. Name of Operator Yates Petroleum Corporation	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 748-471	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 237' FNL & 937' FWL, Sec. 22-T21S-R24E (Unit D, NWNW)	8. Well Name and No. Lowe Staple AMR Fed Com #2
	9. API Well No. 30-015-32181
	10. Field and Pool, or Exploratory Area Indian Basin 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 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 Off Lease Measurement, Surface.	<input type="checkbox"/> Dispose Water
	commingle, lease commingle	(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.)*

Yates Petroleum Corporation respectfully request approval for off lease measurement.

The gas from the Lowe Staple AMR Federal Com #2 is measured off lease at the measurement meter located ~~740' FNL & 1205' FWL~~ ^{2130'} ~~Unit F, Section 10-T19S-R29E~~ ^{1980'FWL} ~~NM-106830~~ ^{27 21 24}

The off lease measurement of production is in the interest of conservation and economic feasibility, and will not result in reduced royalty or improper measurement of production.

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

Signed Shannon Weber Title Production Secretary Date August 20, 2002

(This space for Federal or State Office Use)
Approved by _____ Title _____ Date _____

Conditions of approval, if any:
(ORIG. SGD.) DAVID R. GLASS

Title 18 U.S.C. Section 1001. No one shall knowingly and willfully 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.

APPROVED
DAVID R. GLASS
PETROLEUM ENGINEER

*See Instructions on Reverse Side

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**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-89143; Lease Name: Lowe Staple AMR Fed. Com. #2. .

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>K</u>	<u>22</u>	<u>21S</u>	<u>24E</u>	<u>Indian Basin Upper Penn</u>
<u>2</u>	<u>M</u>	<u>22</u>	<u>21S</u>	<u>24E</u>	<u>Indian Basin Upper Penn</u>

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-106830 ; Lease Name: Anadarko Pardue Farms ANQ #1

<u>1</u>	<u>E</u>	<u>27</u>	<u>21S</u>	<u>24E</u>	<u>Indian Basin Upper Penn</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>
Lowe Staple AMR Fed. Com #1	<u>380</u>	<u>41</u>	<u>2500</u>
Lowe Staple AMR Fed. Com #2	<u>350</u>	<u>41</u>	<u>2450</u>
Anadarko Pardue Farms ANQ #1	<u>324</u>	<u>39.9</u>	<u>1405</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. 27, T21S, R24E, Federal Com #NM-106830 Anadarko Pardue Farms ANQ Com #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 turban 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: Shannon Wolf

Name: Shannon Wolf

Title: Production Clerk

Date: 8/20/02

INTEREST, ROYALTY AND OVERIDING OWNERS
ANADARKO PARDUE FARMS ANQ TANK BATTERY

Stacy Biebelle
646 Queens Highway
Carlsbad, NM 88220

Brent Bossart
PO Box 8094
Tyler, TX 75711

Andrew F. Grooms
PO Box 2328
Roswell, NM 88201

Hayden Oil Limited Partnership
PO Box 99281
Ft. Worth, TX 76199

Skipworth Hart Shafer
2927 Pecos Highway
Carlsbad, NM 88220

Devon SFS Operating, Inc.
PO Box 60210
Midland, TX 79711

Stephanie Aldemir
26 Ironwood
Mission Viejo, CA 92692

Judith Waters Anderson
PO Box 128
Cedar Crest, NM 87008-0128

Susie Belle Bindel
1212 W. Ural Dr.
Carlsbad, NM 88220

Christine E. Campos
32772 Jonathon Circle
Dana Point, CA 92629

Carmex, Inc.
PO Box 1718
Carlsbad, NM 88220

Jerry Phillips Winfield
C/O Modern Language Dept.
Mercer University
Macon, GA 31207

Pamela G. Winfield
92 Wimberly Drive
Trussville, AL 35173

Patricia Lynn Smitherman
6000 Lakeside Drive
Pinson, AL 35126

Deborah Waters Conway
22725 Torero Court
Salinas, CA 93908-1036

Marilyn T. Joyce
711 W. Bullock Ave
Artesia, NM 88210

Marian Jane Gordon
PO Box 952
Carlsbad, NM 88220

Robert Phillips Handley
3400 Meadowlark Drive
Guntersville, AL 35976-2733

Nell Arnold Handley
C/O Billy Spruiell
PO Box 2720
Gulf Shores, AL 36547

Mittie Beth Hayes
116 W. Peach Lane
Carlsbad, NM 88220

Penny Lee Winfield Huffman
4861 Cambridge Place
Mt. Olive, AL 35117

Kugeler Brothers, ANM Partners
7400 Elena Drive, N.E.
Albuquerque, NM 87113

Cynthia Fay Lee
832 Churchhill Drive
Fredericksburg, VA 22407

Marian Tracy Lelevier
26440 Potrero Rd.
Potrero, CA 91963

Merland, Inc.
PO Box 548
Carlsbad, NM 88220

J.M. Phillips Testamentary
PO Box 10463
Birmingham, AL 35202

Ronald C. Robbins
215 6th St.
Petaluma, CA 94952-4248

Stagner, LLC
1710 Mountain Shadow
Carlsbad, NM 88220

George McBeath Tracy
10504 Lexington Ave.
Albuquerque, NM 87112

R.F. Fort
PO Box 2044
Midland, TX 79702

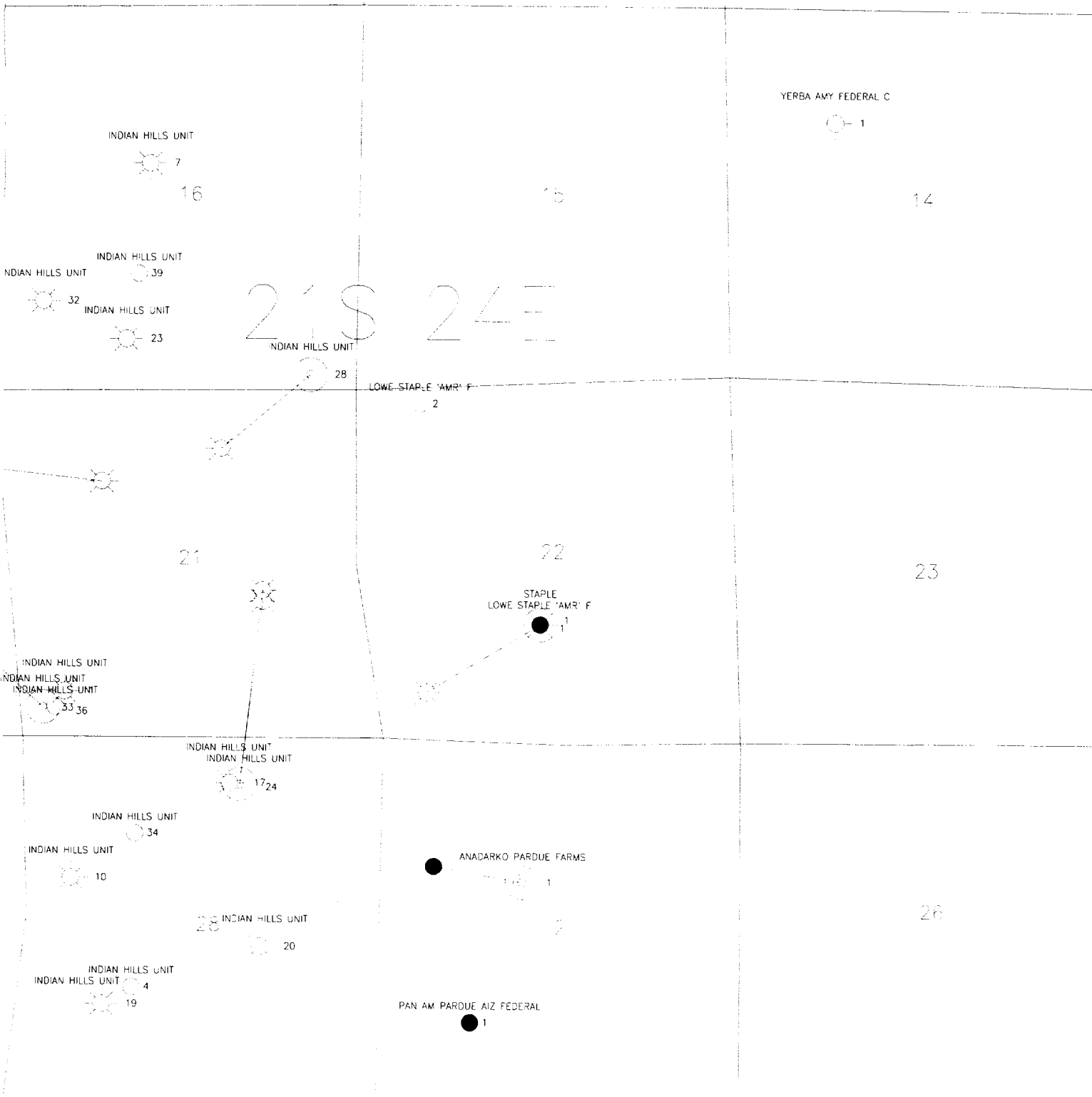
MMS
P.O. Drawer 1857
Roswell, NM 88201

Abo Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Myco Industries
P.O. Box 840
Artesia, NM 88210

Yates Drilling Company
105 South Fourth Street
Artesia, NM 88210

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210



YERBA AMY FEDERAL C

INDIAN HILLS UNIT

7

16

15

14

1

INDIAN HILLS UNIT

39

INDIAN HILLS UNIT

32

INDIAN HILLS UNIT

23

21S

24E

INDIAN HILLS UNIT

28

LOWE STAPLE "AMR" F

2

21

22

23

STAPLE
LOWE STAPLE "AMR" F

1

INDIAN HILLS UNIT

INDIAN HILLS UNIT

INDIAN HILLS UNIT

33 36

INDIAN HILLS UNIT
INDIAN HILLS UNIT

17 24

INDIAN HILLS UNIT

34

INDIAN HILLS UNIT

10

ANADARKO PARDUE FARMS

1

INDIAN HILLS UNIT

28

20

26

INDIAN HILLS UNIT

4

INDIAN HILLS UNIT

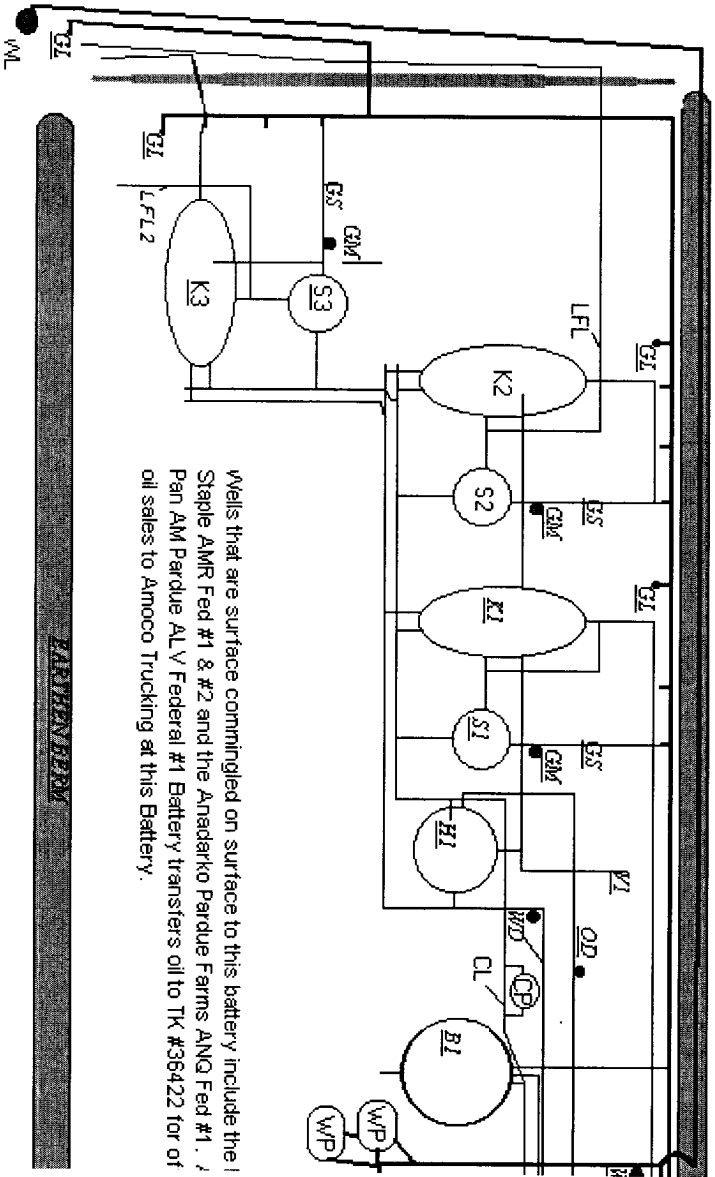
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PAN AM PARDUE AIZ FEDERAL

1

GROCMS FEDERAL
TRES INDIOS FEDERAL

Anadarko Pardue Farms ANQ Federal #1 Tank Battery



Wells that are surface commingled on surface to this battery include the Staple AMR Fed #1 & #2 and the Anadarko Pardue Farms ANQ Fed #1. Pan AM Pardue ALV Federal #1 Battery transfers oil to TK #36422 for oil sales to Amoco Trucking at this Battery.

WILSON

Anadarko Pardue Farms ANQ Fed #1
API # 10711001
S 27 - T 21 S - R 24 E, Unit F
2130' FNL & 1980' FWL GRD ELEV = 3680'
Eddy County, NM
Field Indian Basin

Pan AM Pardue ALZ Federal #1
3001510728
CA, NMNM:91001
S 27-T21S-R24E, Unit F
1140' FSL & 1350' FWL, GRD ELEV = 4060'
Eddy County, NM (TK # 36422 oil to Amoco)

Lowe Staple AMR Fed #1
API # 3001510040
S 22 - T 21 S - R 24 E, Unit K
1650' FSL & 2310' FWL, GRD ELEV = 3677'
Eddy County, NM

Lowe Staple AMR Fed #2-H
API #3001532181
S 22 - T21 S - R24 E, Unit K
237' FNL & 937' FWL
Eddy County, NM

Wells commingled surface to this battery include the Lowe Staple the Anadarko P.F. ANQ Fed #1. Also, the Pan AM Pardue tran 36422 for off lease oil sales to Amoco Trucking at this Battery. **

PF - LINE FROM LACT AT PANVA
W1 - WATER TRANSPORTER LINE #1,
G1 - GAS SALES LINE # STEEL,
G3 - ANADARKO GAS SALES
K1 - ANADARKO THREE PHASE,
S1 - ANADARKO TWO PHASE SE,
H1 - HEATER TREATOR

B1 - FIBERGLASS 210 BBL BSW
K - ANADARKO WELLHEAD
AFL - Anadarko flowline
W1 - 500 BBL FIBERGLASS WAT
W2 - 500 BBL FIBERGLASS WAT

V1 - Vent line
LFL - Lowe Staple AMR #1 flowline
K2 - Lowe Staple Three Phase Kn
S2 - Lowe Staple Two Phase Sep
LFL2 - Lowe Staple AMR #2-H flo
K3 - Lowe Staple AMR #2-H Three
S3 - Lowe Staple 2 Two Phase s

Note:
Oil transporter AMOCO
Water to Y.P.C. - Dagger Draw Wa
Gas Transporter Agave