

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

****Amended****

5. Lease Designation and Serial No.
NM-87306

6. If Indian, Allottee or Tribe Name

2006 JUN 12 PM 2 13

7. If Unit or CA, Agreement Designation
NM-22902

070 FARMINGTON NM

1. Type of Well

Oil ☐ Gas ☒
☐ Well ☒ Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address and Telephone No.

105 South Fourth Street, Artesia, NM 88210 (505) 7481471

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

660' FNL 660' FEL (Unit A, NENE) Sec 29 T25N R13W

8. Well Name and No.

Moncisco Federal AZZ #1

9. API Well No.

30-045-30883

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

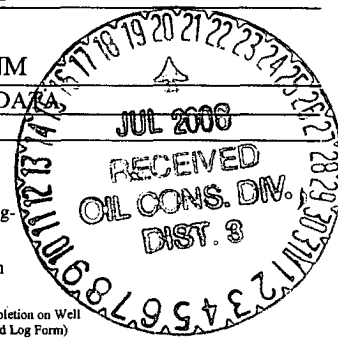
- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Off Lease Measurement
Surface/Lease Commingle Gas Only

- ☐ 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.)*

Yates Petroleum Corporation respectfully request administrative approval to Off Lease Measurement, Surface/Lease Commingle Gas Only the following wells:

Moncisco Federal AZZ #1
Section 29-T25N-R13W
Formation: Basin Fruitland Coal
San Juan County, New Mexico
Federal Lease # NM-87306

Hone Mesa BAE Federal #1
Section 35-T25N-R13W
Formation: Basin Fruitland Coal
San Juan County, New Mexico
Federal Lease # NM-87309

No surface commingle order yet
8-7-06

Total gas production and sales will be based on the measurement at the CDP and allocated back to each well based chart integrations.

The CDP is located at Sec 22-T25N-R13W. Please see attached plat and site facility diagram meter #394449

Estimated production for the Hone Mesa is 53 MCF per day and 72 MCF per day for the Moncisco.

We propose this commingle due to the low volume of gas produced from each well. The higher volume measured at the CDP will be a more accurate measurement than the lower volumes measured at each well.

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.

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

Signed

Marta Reese

Title Production Secretary

Date June 8, 2006

(This space for Federal or State office use)

Approved by

Jim Lovel

Title

Det. Eng

Date

7/18/06

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.

NMOC
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