

RECEIVED: <b>3-31-2017</b>	REVIEWER:	TYPE: <b>OLM</b>	APP NO: <b>DMAm1709051637</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Dugan Production Corporation**OGRID Number:** 6515**Well Name:** Moncisco AZZ Fed#1; Hone Mesa BAE #1**API:** 300-045-30883; 30-045-30893**Pool:** Basin Fruitland Coal**Pool Code:** 71629

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☒ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**

Notice Complete

Application  
Content  
Complete

**3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Kevin Smaka

Print or Type Name

Signature

March 31, 2017

Date

505-325-1821

Phone Number

kevin.smaka@duganproduction.com

e-mail Address

See Application

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-30893</b>	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Hone Mesa BAE Federal</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>6228'GL</b>

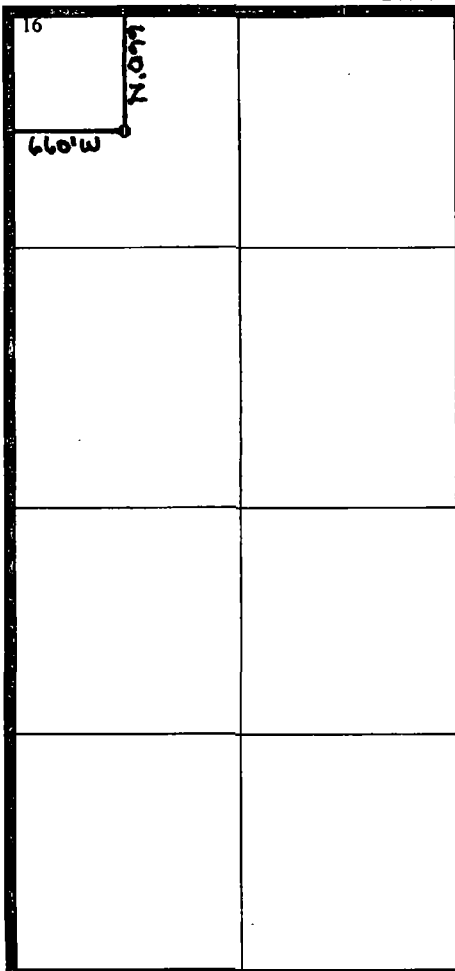
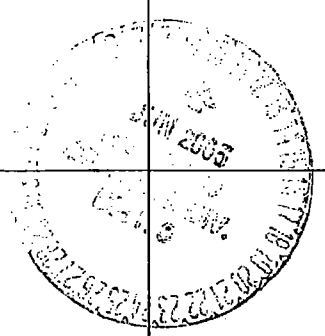

**<sup>10</sup> Surface Location**

UL or lot no. <b>D</b>	Section <b>35</b>	Township <b>25N</b>	Range <b>13W</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>North</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>San Juan</b>
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**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 		<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature
		Tina Huerta Printed Name
		Regulatory Compliance Supervisor
		Title and E-mail Address June 7, 2005 Date
		<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
		Date of Survey
		Signature and Seal of Professional Surveyor:
		Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-30883</b>	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Moncisco Federal AZZ</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>6214'GR</b>

<sup>10</sup> Surface Location

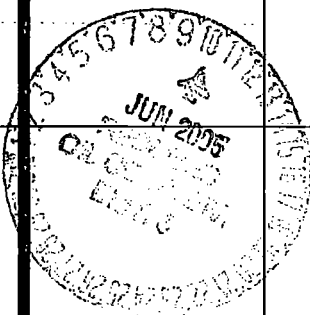
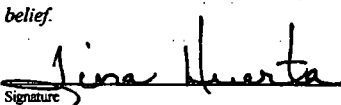
UL or lot no. <b>A</b>	Section <b>29</b>	Township <b>25N</b>	Range <b>13W</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>North</b>	Feet from the <b>660</b>	East/West line <b>East</b>	County <b>San Juan</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		North 660'E	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature <b>Tina Huerta</b> Printed Name Regulatory Compliance Supervisor Title and E-mail Address June 7, 2005 Date
			<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor:
			Certificate Number

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. See Below
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Federal
2. Name of Operator Dugan Production Corp.		6. State Oil & Gas Lease No. Federal Leases NM87306 & NM87309
3. Address of Operator PO Box 420, Farmington, NM 87499-0420		7. Lease Name or Unit Agreement Name See Below
4. Well Location Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____		8. Well Number See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 006515
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: Off-Lease Measurement, Surface Commingle ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan Production Corp. requests administrative approval for off-lease measurement, surface/lease commingling for the following wells:

Hone Mesa BAE Federal #1  
API #30-045-30893  
Section 35-T25N-R13W  
UL D, 660' FNL & 660' FWL  
San Juan County, NM  
Basin Fruitland Coal  
Federal Lease NM87309

Moncisco Federal AZZ #1  
API #30-045-30883  
Section 29-T25N-R13W  
UL A, 660' FNL & 660' FEL  
San Juan County, NM  
Basin Fruitland Coal  
Federal Lease NM87306

Total gas production and sales will be based on the measurement at the CDP. Production from each well will be determined by an allocation meter.

The CDP is located at Sec. 22-T25N-R13W, Meter #1280. Estimated production for the Hone Mesa is 128 MCFD and 54 MCFD for the Moncisco. See attachment for interest ownership information and certification statement. Also please see the BLM sundry approving commingling and off-lease measurement.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kevin Smaka TITLE Production Engineer DATE 3-29-17

Type or print name Kevin Smaka E-mail address: kevin.smaka@duganproduction.com PHONE: 505-325-1821  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any): \_\_\_\_\_

**Interest Ownership Summary****Page 1 of 2****Dugan Production Corp.'s Bisti Gathering System**

	Hone Mesa BAE Federal #1 (details on Pg. No. 2)		Moncisco AZZ Federal #1 (details on Pg. No. 2)	
	WI	NI	WI	NI
<b><u>Working Interest</u></b>				
Dugan Production Corp.	68.000	57.460	68.000	57.460
WPX Energy Production	32.000	28.000	32.000	28.000
<b><u>Royalty Interest</u></b>				
USA - Federal		12.500		12.500
<b><u>Overriding Royalty Interest</u></b>				
Number of Owners		4		4
Total ORRI		2.040		2.040
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

**Dugan Production Corp.  
Bisti Gathering System**


<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Hone Mesa BAE Federal #1	Basin Fruitland Coal	NWNW 35-25N-13W	W/2-320.0A
Moncisco AZZ Federal #1	Basin Fruitland Coal	NENE 29-25N-13W	E/2-320.0A

**INTEREST OWNERS**

**INTEREST%**

	<u>Gross</u>	<u>Net</u>
<b><u>Working Interest</u></b>		
Dugan Production Corp.	68.000000	57.460000
WPX Energy Production One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	32.000000	28.000000
<b><u>Royalty</u></b>		
USA - c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<b><u>Overriding Interest</u></b>		
Abo Petroleum Corporation Yates Building 105 South 4 <sup>th</sup> Artesia, NM 88210	-0-	0.960000
Coleman Oil & Gas Inc. PO Drawer 3337 Farmington, NM 87499-3337	-0-	0.090000
JMJ Ventures, LLC 2204 N. Santiago Avenue Farmington, NM 87401	-0-	0.030000
Sharbro Oil Ltd., Co. PO Box 840 Artesia, NM 88210	-0-	0.960000
<b><u>TOTAL WELL</u></b>	<b><u>100.000000</u></b>	<b><u>100.000000</u></b>

Dugan Production Corp. certifies that the ownership information is correct and true as of this date.

  
Kurt Fagrelus, Vice President - Land & Exploration

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 or Designation  
NM-22902

070 FARMINGTON NM

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

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

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

TYPE OF SUBMISSION

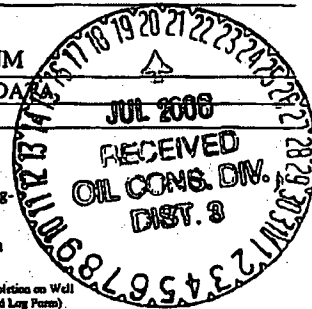
- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

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 completions 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 DAE 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

Conditions of approval, if any:

Title

Debr. Eng

Date

7/18/06

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  
FARMINGTON  
NMOC

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
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District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

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2. Name of Operator Dugan Production Corp.		6. State Oil & Gas Lease No. Federal Leases NM87306 & NM87309
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4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____		8. Well Number See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 006515
		10. Pool name or Wildcat Basin Fruitland Coal

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

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PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: Off-Lease Measurement, Surface Commingle. ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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UL D, 660' FNL & 660' FWL  
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Basin Fruitland Coal  
Federal Lease NM87309

Moncisco Federal AZZ #1  
API #30-045-30883  
Section 29-T25N-R13W  
UL A, 660' FNL & 660' FEL  
San Juan County, NM  
Basin Fruitland Coal  
Federal Lease NM87306

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Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Kevin Smaka*

TITLE

*Production Engineer*

DATE

*3-29-17*

Type or print name Kevin Smaka

E-mail address: kevin.smaka@duganproduction.com

PHONE: 505-325-1821

**For State Use Only**

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



**Interest Ownership Summary****Page 1 of 2****Dugan Production Corp.'s Bisti Gathering System**

	Hone Mesa BAE Federal #1 (details on Pg. No. 2)		Moncisco AZZ Federal #1 (details on Pg. No. 2)	
	WI	NI	WI	NI
<b><u>Working Interest</u></b>				
Dugan Production Corp.	68.000	57.460	68.000	57.460
WPX Energy Production	32.000	28.000	32.000	28.000
<b><u>Royalty Interest</u></b>				
USA - Federal		12.500		12.500
<b><u>Overriding Royalty Interest</u></b>				
Number of Owners		4		4
Total ORRI		2.040		2.040
<b>TOTALS</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>	<b>100.000</b>

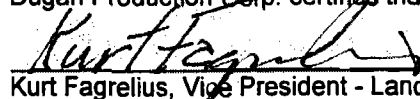
**Dugan Production Corp.  
Bisti Gathering System**

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>	<u>Spacing Unit</u>
Hone Mesa BAE Federal #1	Basin Fruitland Coal	NWNW 35-25N-13W	W/2-320.0A
Moncisco AZZ Federal #1	Basin Fruitland Coal	NENE 29-25N-13W	E/2-320.0A

**INTEREST OWNERS****INTEREST%**

	<u>Gross</u>	<u>Net</u>
<b><u>Working Interest</u></b>		
Dugan Production Corp.	68.000000	57.460000
WPX Energy Production One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	32.000000	28.000000
<b><u>Royalty</u></b>		
USA - c/o Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402	-0-	12.500000
<b><u>Overriding Interest</u></b>		
Abo Petroleum Corporation Yates Building 105 South 4 <sup>th</sup> Artesia, NM 88210	-0-	0.960000
Coleman Oil & Gas Inc. PO Drawer 3337 Farmington, NM 87499-3337	-0-	0.090000
JMJ Ventures, LLC 2204 N. Santiago Avenue Farmington, NM 87401	-0-	0.030000
Sharbro Oil Ltd., Co. PO Box 840 Artesia, NM 88210	-0-	0.960000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

Dugan Production Corp. certifies that the ownership information is correct and true as of this date.

  
Kurt Fagrellius, Vice President - Land & Exploration

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 No.

NM-22902

070 FARMINGTON NM

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

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

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

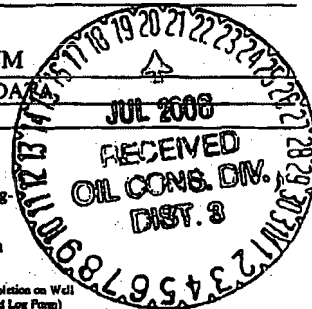
☐ Non-Routine Fracturing

☐ 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 DAE 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

Conditions of approval, if any:

John L. Loh

Title

Debr. Eng

Date

7/18/06

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  
FARMINGTON  
NMOC

**Production Summary Report**  
**API: 30-045-30893**  
**HONE MESA BAE FED #001**  
**Printed On: Friday, March 31 2017**

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2016	[71629] BASIN FRUITLAND COAL (GAS)	Jul	0	3101	2080	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Aug	0	4074	4000	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Sep	0	3966	4240	29
2016	[71629] BASIN FRUITLAND COAL (GAS)	Oct	0	2998	4480	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Nov	0	3478	4320	30
2016	[71629] BASIN FRUITLAND COAL (GAS)	Dec	0	3974	4400	31
2017	[71629] BASIN FRUITLAND COAL (GAS)	Jan	0	3506	4960	31
	CUM			582599	522643	

**Production Summary Report**  
**API: 30-045-30883**  
**MONCISCO AZZ FEDERAL #001**

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2016	[71629] BASIN FRUITLAND COAL (GAS)	Jul	0	1547	2080	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Aug	0	1751	4480	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Sep	0	1413	3600	28
2016	[71629] BASIN FRUITLAND COAL (GAS)	Oct	0	1535	4800	31
2016	[71629] BASIN FRUITLAND COAL (GAS)	Nov	0	1535	4800	30
2016	[71629] BASIN FRUITLAND COAL (GAS)	Dec	0	1333	4800	31
2017	[71629] BASIN FRUITLAND COAL (GAS)	Jan	0	1466	4400	31
CUM				342341	490609	



Lease Legend			
Lease Code	Lease Type	Lease Number	Expiring
A	Federal	NM-87306	---
B	Federal	NM-87301	---
C	State	VB-1443-1	---
D	State	VB-1444-1	---
E	State	VB-2186-1	7/31/2017
F	State	V-8293-1	---
G	State	V-8294-1	---
H	Federal	NM-122647	---
I	Federal	NM-117146	11/30/2016
J	Federal	NM-122645	5/30/2019
K	Federal	NM-117148	11/30/2016
L	Federal	NM-117149	11/30/2016

