

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

AMEND  
CTB-423

8/19/96

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

July 25, 1996

Oil Conservation Division  
P.O. Box 6429  
Santa Fe, NM 87505-6429

Re: Surface Commingling, Lease Commingling,  
Off-Lease Storage and Measurement.  
Dagger Draw Upper Penn, South Pool  
Eddy County, New Mexico

Dear Mr. Lemay,

Yates Petroleum Corporation respectfully requests administrative approval to amend  
Commingling Order CTB-423 (a copy of which is attached), to add the following wells.

Mojave AJY Com #5  
660' FNL & 2310' FWL  
Unit K, NESW  
Section 35-T20 1/2S-R23E  
Eddy County, NM  
Fee Lease

The production from this well is transported prior to measurement to a common tank battery,  
located at the Mojave AJY Com #2 (Unit O, Section 35-T20 1/2S-R23E).

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.

Because working interests for the wells are different, oil from each of the wells will be measured  
by positive displacement temperature compensated metering equipment prior to surface  
commingling. Gas from the wells will also be metered separately. This metering will ensure  
that all production from each of the wells is equitably accounted for with no significant effect on  
your revenue. The production is from the same producing zone which is the Canyon.

In accordance with the Oil Conservation Division Rules 303-B, 309-B and 309-C, the following diagrams and maps are attached for your information:

Attachment II	A map showing the location of the wells.
Attachment III	A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual of Installation and Operation of Commingling Facilities".
Attachment IV	Notification of working interest, royalty interest and overriding royalty interest owners.
Attachment V	Notification to the Bureau of Land Management.

If you should have any questions or need further information, please give me a call at (505) 748-4178 (direct line).

Thank you for your cooperation.

Sincerely,

Pamela S. Evans  
Production Clerk

PE  
Attachments

R24E

T  
20  
S

CONOCO  
PRESTON FE  
○ 15

CONOCO INC  
PRESTON FD  
○ 2

34

STANDARD OIL OF TEXAS

MISC.

YATES PETROLEUM  
DIAMOND AKI FED  
○ 3

SMITH FD  
○ 1

YATES PETROLEUM  
DIAMOND AKI FED COM  
○ 2

CONOCO, INC.  
PRESTON FEDERAL  
● 5

*YATES PET  
DIAMOND 'AKI' FEDER*  
● 1

CONOCO  
PRESTON  
○ 3

*YATES PETROLEUM  
MOJAVE 'AJY' COM*  
○ 5

YATES PET  
MOJAVE "AJY" COM  
☀ 1

35

YATES PETROLEUM  
MOJAVE AJY  
○ 4

*YATES PET  
MOJAVE 'AJY' COM*  
● 3

*YATES PET  
MOJAVE 'AJY' COM*  
● 2

T  
20.5  
E

R23E

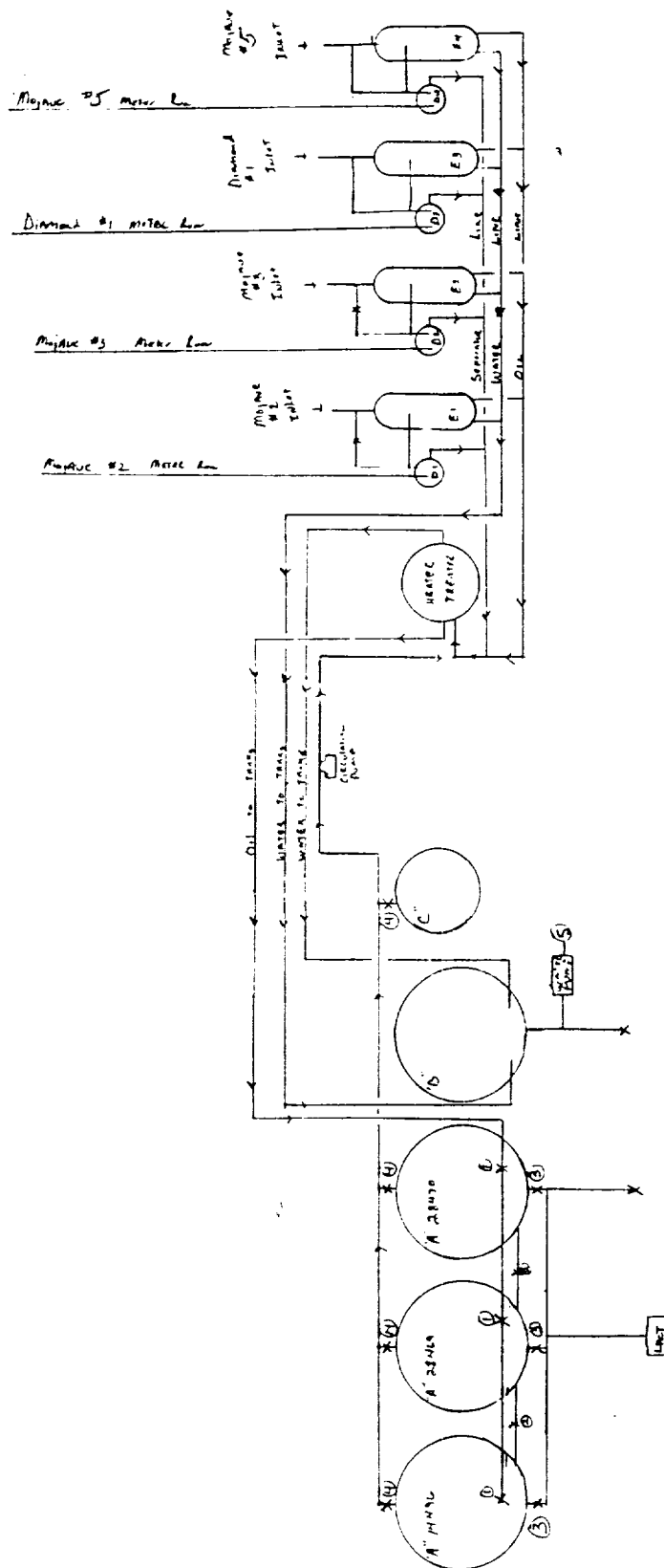
MOJAVE "AJ4" Fed. #2 TANK BATTERY

Case # FEE

Legal descrip Sec 35

Eddy County N.M.

YATES Petro. Corp.



① OIL Fill Lines sealed closed during SALES

② OIL Equalize Lines sealed closed during SALES

③ OIL SALES Lines closed Except during SALES

④ Emergency drains sealed closed

⑤ WATER TO Dappen Draw Disposal System

A) 500 BBL OIL Storage

B) 500 BBL WATER Storage

C) 210 BBL B.S&W Storage

D1 Mojave ASY #2 Separator

D2 Mojave ASY #3 " "

D3 Diamond AKI #1 " "

D4 Mojave ASY #5 " "

E1 Mojave ASY #2 WATER Knockout

E2 Mojave ASY #3 " "

E3 Diamond AKI #1 " "

E4 Mojave ASY #5 " "

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*

5. Lease Designation and Serial No.

NM-045276

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Diamond AKI Federal #1

9. API Well No.

3001527086

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, South

11. County or Parish, State

Eddy, N.M.

1. Type of Well

☒ Oil Well ☐ Gas 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)

Section 34-T20S-R24E Unit N 360' FSL & 2080' FWL (SESW)

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Surface Commingling & Storage

☐ 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 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 Amela J. Evans

Title Production Clerk

Date 07/25/96

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

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.

\*See Instruction on Reverse Side

**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. NM-045276; Lease Name: Diamond AKI Federal.

Well

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>N</u>	<u>34</u>	<u>20S</u>	<u>24E</u>	<u>Dagger Draw Upper Penn. South</u>

with hydrocarbon production from the following formation(s) and well(s) on a Fee lease: Mojave AJY Com.

<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>2</u>	<u>O</u>	<u>35</u>	<u>20 1/2S</u>	<u>23E</u>	<u>Dagger Draw Upper Penn. South</u>
<u>3</u>	<u>N</u>	<u>35</u>	<u>20 1/2S</u>	<u>23E</u>	<u>Dagger Draw Upper Penn. South</u>
<u>5</u>	<u>K</u>	<u>35</u>	<u>20 1/2S</u>	<u>23E</u>	<u>Dagger Draw Upper Penn. South</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>Diamond AKI Federal #1</u>	<u>1334</u>	<u>42.2</u>	<u>6368</u>
<u>Mojave AJY #2</u>	<u>137</u>	<u>42.2</u>	<u>1211</u>
<u>Mojave AJY #3</u>	<u>1065</u>	<u>42.2</u>	<u>2178</u>
<u>Mojave AJY #5</u>	<u>1471</u>	<u>42.2</u>	<u>1034</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 SWSE-1/4, Sec. 35, T20 1/2S, R23E, on Fee lease Mojave AJY #2, 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. ....

Continued:

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.

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 proposed commingling is necessary for continued 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: 7-25-96



ATTACHMENT IV

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

Charlene S. Byers  
579 S. Poplar Way  
Denver, CO 80224

R.E. Chambers<sup>Hinbers</sup> Jr.  
2413 Clayton  
Wichita Falls, TX 76308

Lollie Dee King Chambers  
2413 Clayton  
Wichita Falls, TX 76308

Conoco Inc.  
P.O. Box 951063  
Dallas, TX 75395-1063

Preston B. Hanks  
16009 Dorman Dr.  
Austin, TX 78717-0834

Roger C. Hanks Jr.  
6308 B Taggart  
Houston, TX 77007-2052

Alice Ann Hanks Freeman  
P.O. Box 4143  
Wichita Falls, TX 76308

Graham Hanks Hamilton Young  
3004 Oak Bend  
Round Rock, TX 78681

Robert G. Hooper  
P.O. Box 733  
Roswell, NM 88202-0733

Jerry L. Hooper  
P.O. Box 2126  
Roswell, NM 88202-2126

Holman Inc.  
P.O. Box 122  
Dundee, MI 48131

S.P. & Barbara Jo Johnson III  
P.O. Box 1641  
Roswell, NM 88202-1641

Mobil Producing TX & NM, Inc.  
c/o Mobile Oil Corporation  
P.O. Box 890328  
Dallas, TX 75389-0328

PJC Limited Partnership  
P.O. Box 1713  
Roswell, NM 88202-1713

Dora W. Payne  
2709 Eastover  
Odessa, TX 79762

W.T. & Jeanette J. Probandt  
415 W. Wall, Suite 2206  
Midland, TX 79701

George D. & Edith P. Riggs  
P.O. Box 230430  
Anchorage, AK 99523-0430

Wills Royalty, Inc.  
P.O. Box 1568  
Carlsbad, NM 88220

P 274 899 907

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Charlene S. Byers

579 S. Poplar Way

Denver, CO 80224

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Cambridge</i> <i>McJannet NJ #2,3,4,5</i> <i>Diamond ART #1 7-23-96</i>	

P 274 899 908

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**Receipt for Certified Mail**

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R.E. Chambers

2413 Clayton

Wichita Falls, TX 76308

PS Form 3800, April 1995

Postage	\$
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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commingle</i> <i>May 4 1994</i> <i>Diamond AKE #1</i> <i>7-23-94</i>	

P 274 899 909

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Lollie Dee King Chambers

2413 Clayton

Wichita Falls, TX 76308

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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>May 2, 1995</i> <i>7-23-46</i> <i>Diamond #1</i>	

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Conoco, Inc.

P.O. Box 951063

Dallas, TX 75395-1063

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<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>commingle</i> <i>Mogave ATY 2,3+5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

P 274 899 511

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Preston B. Hanks

16009 Dorman Dr.

Austin, TX 78717-0834

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<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Comingle</i> <i>Majoral #24 #21345</i> <i>Quemenc AKI #1</i> <i>7-23-46</i>	

P 274 899 912

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Roger C. Hanks

6308 B Taggart

Houston, TX 77007-2052

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Dimmingle</i> <i>Mojave 2, 3, + 5</i> <i>Diamond AKI #1</i> <i>7-23-94</i>	

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Alice Hanks Freeman

P.O. Box 4143

Wichita Falls, TX 76308

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commence</i> <i>May 1994 #2, 3 &amp; 5</i> <i>Diamond AKI #1</i> <i>7-23-94</i>	



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Graham Hanks Hamilton Young  
3004 Oak Bend  
Round Rock, TX 78681

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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Commingale</i> <i>Mojave ATY #2, 3+5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

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Robert G. Hooper

P.O. Box 733

Roswell, NM 88202-0733

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<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commingle</i> <i>Mojave ATY #2, 3 &amp; 5</i> <i>Diamond AKI #1</i> <i>7-22-46</i>	

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Jerry L. Hooper

P.O. Box 2126

Roswell, NM 88202-2126

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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Comingle</i> <i>Nogal A-4 #2,3+5</i> <i>Diamond A-4 #1</i> <i>7-23-46</i>	

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Holman, Inc.

P.O. Box 122

Dundee, MI 48131

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<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Comingle</i> <i>Mojave AS4 #2,3+5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

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S.P. and Barbara Jo Johnson III

P.O. Box 1641

Roswell, NM 88202-1641

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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commingale</i> <i>MAY 4 1995</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

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Mobil Producing TX & NM, Inc.  
c/o Mobile Oil Corporation  
P.O. Box 890328  
Dallas, TX 75389-0328

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Commingle</i> <i>Mobil AKI #2, 3 &amp; 5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

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PJC Limited Partnership

P.O. Box 1713

Roswell, NM 88202-1713

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Corningale</i> <i>Mojave 2, 3, 4, 5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

P 274 889 921

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Dora W. Payne

2709 Eastover

Odessa, TX 79762

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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commingle</i> <i>Mafae #14 2, B+5</i> <i>Diamond #KI #1</i> <i>7-23-96</i>	



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W.T. and Jeanette J. Probandt

415 W. Wall

Suite 2206

Midland, TX 79701

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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Corpus Christi</i> <i>Mojave AT4 12, 3+5</i> <i>Diamond AKI #1</i> <i>7-23-96</i>	

P 274 859 923

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George D. & Edith P. Riggs

P.O. Box 230430

Anchorage, AK 99523-0430

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Anchorage</i> <i>May 2, 1995</i> <i>AKI #1</i> <i>7-23-96</i>	

P 274 299 924

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Wills Royalty, Inc.

P.O. Box 1568

Carlsbad, NM 88220

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date <i>Commingle</i> <i>Diamond AKI #1</i> <i>Major #2, 3+5</i> <i>7-23-96</i>	