

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



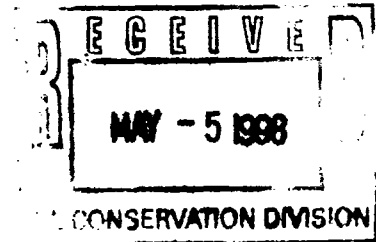
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

CTB 5/26/98

413

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

May 1, 1998



Oil Conservation Division
Attn: Lori Wrotenbery
P.O. Box 6429
Santa Fe, NM 87505-6429

Re: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement.
Dagger Draw Upper Penn, North Eddy Co., NM

Dear Ms. Wrotenbery,

Yates Petroleum Corporation respectfully requests administrative approval for surface commingling, lease commingling, off-lease storage and measurement for the following wells:

Boyd X State Com #10
Unit O, SWSE
660' FSL & 1980' FEL
Sec. 16-T19S-R25E
Eddy Co., NM

Boyd X State Com #11
Unit P, SESE
810' FSL & 730' FEL
Sec. 16-T19S-R25E
Eddy Co., NM

Boyd X State Com #12
Unit H, SENE
1880' FNL & 660' FEL
Sec. 16-T19S-R25E
Eddy Co., NM

Amole AMM State Com #4
Unit I, NESE
1980' FSL & 660' FEL
Sec. 16-T19S-R25E
Eddy Co., NM

The production from these wells is transported prior to measurement to a common tank battery, located at the Boyd X State Com #10 (Unit O, 660' FSL & 1980' FEL Sec. 16-T19S-R25E).

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 and royalty interests for the wells are different, oil from each of the wells will be measured by turban 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 Dagger Draw Upper Penn, North.

The following is enclosed:

A map showing the location of the wells.

A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual of Installation and Operation of Commingling Facilities".

Notification of working interest, royalty interest and overriding royalty interest owners.

If you should have any questions or need further information, please give me a call at (505) 748-4206 (direct line).

Thank you for your cooperation.

Sincerely,

Pamela S. Evans
Production Clerk

PE
Attachments

APAREJO 'APA' SI APAREJO "APA" SI COM. APAREJO 'APA' SI

● 1

● 5

● 3

BOYD X
● 1

APAREJO SI
() 6

BOYD X SI COM.
● 12

APAREJO APA
() 4

KINCAID SI
APAREJO 'APA' SI
● 2 ● 1

BOYD X STATE COM
() 8

16

AMOLE "AMM" SI COM

AMOLE "AMM" STATE C BOYD X SI COM
() 9

() 4

● 2

AMOLE "AMM" SI
● 1

AMOLE "AMM" STATE C BOYD X SI COM
● 3

● 10

BOYD X STATE COM
● 11



105

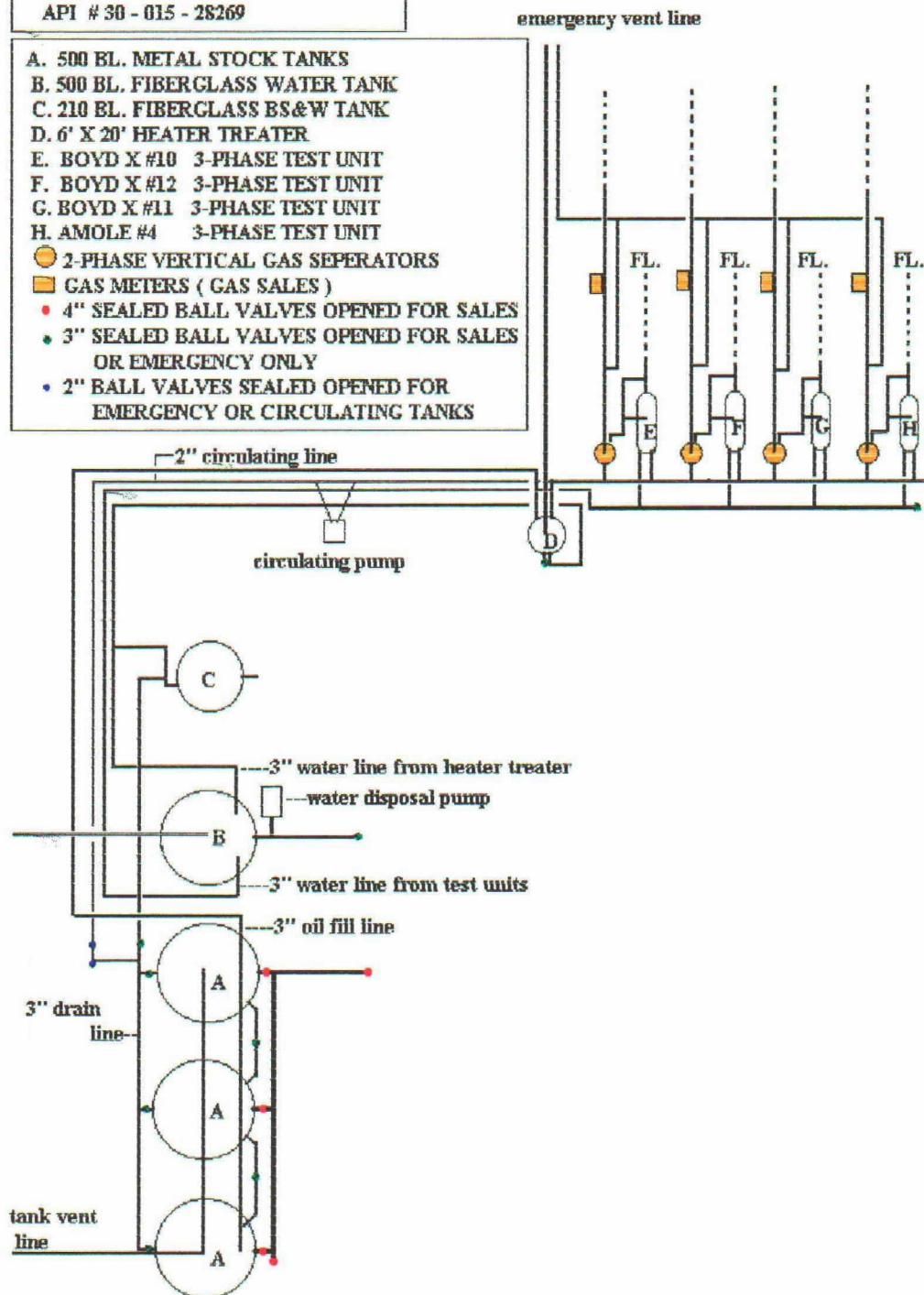


Storage & Measurement
Facility

YATES PETROLEUM CORPORATION		
NEW MEXICO		
DAGGER DRAW		
19825e Sec. 16		
Area de superficie	527/84	P. E. E. E.
Pres. del terreno	Scale 1:10000	S. D. D. D.

BOYD X STATE COM. #10 BATTERY
 660' FSL & 1980' FEL
 SEC. 16 - T19S - R25E
 EDDY CO. NEW MEX.
 API # 30 - 015 - 28269

- A. 500 BL. METAL STOCK TANKS
- B. 500 BL. FIBERGLASS WATER TANK
- C. 210 BL. FIBERGLASS BS&W TANK
- D. 6' X 20' HEATER TREATER
- E. BOYD X #10 3-PHASE TEST UNIT
- F. BOYD X #12 3-PHASE TEST UNIT
- G. BOYD X #11 3-PHASE TEST UNIT
- H. AMOLE #4 3-PHASE TEST UNIT
- 2-PHASE VERTICAL GAS SEPARATORS
- GAS METERS (GAS SALES)
- 4" SEALED BALL VALVES OPENED FOR SALES
- 3" SEALED BALL VALVES OPENED FOR SALES OR EMERGENCY ONLY
- 2" BALL VALVES SEALED OPENED FOR EMERGENCY OR CIRCULATING TANKS



Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

Ernie Bello
3325 Ala Akulikuli
Honolulu, HI 96818-2215

Brown Brothers Harriman Trust
Agnes Cluthe Oliver Trust
2001 Ross Avenue, Suite 1150
Dallas, TX 75201

Frances B. Bunn
2493 Makiki Heights Dr.
Honolulu, HI 96822

Sandford J. Hodge III
4324 Hanover Ave.
Dallas, TX 75225

Nearburg Exploration Company
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

Space Building Corporation
250 Cape Highway
East Taunton, MA 02718

Unit Petroleum Company
P.O. Box 702500
Tulsa, OK 74170

Brown Brothers Harriman Trust
William B. Oliver
2001 Ross Ave, Suite 1150
Dallas, TX 75201

J.W. Gendron
1280 Encino Drive
San Marino, CA 91108

David Goodnow
230 Ridgefield Rd.
Wilton, CT 06897

Joseph R. Hodge
P.O. Box 5238
Austin, TX 78762-4321

E.G. Holden Testamentary Trust
2524 Union Street
San Francisco, CA 94123

Dr. Isaac A. Kawasaki
734 Kalanipuu
Honolulu, HI 96825

Frederick Van Vranken Jr.
P.O. Box 264
Jericho, NY 11753

Betsy H. Keller
2524 Union St.
San Francisco, CA 94123

Adolph P. Schuman
c/o James Crafts
400 Sansome St.
San Francisco, CA 94111

Charles Cline Moore
605 Market Street
San Francisco, CA 94105

Elizabeth J. Norman
6637 S. New Haven
Tulsa, OK 74136

Z 378 961 447

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Ernie Bello

3325 Ala Akulikuli

Honolulu, HI 96818-2215

PS Form 3800, April 1995

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Special Delivery Fee	
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 Boyd 10 5-1-98	

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Brown Brothers Harriman Trust
Agnes Cluthe Oliver Trust
2001 Ross Ave
Suite 1150
Dallas, TX 75201

PS Form 3800, April 1995

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Penalties for International Mail (See reverse)

Sandford J. Hodge III

4324 Hanover Ave.

Dallas, TX 75225

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TOTAL Postage & Fees	\$
Postmark or Date <i>Boyd x10</i> <i>5-1-98</i>	

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Receipt for Certified Mail

No Insurance Coverage Provided.

Nearburg Exploration Company
3300 North "A" St.
Building 2, Suite 120
Midland, TX 79705

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Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
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TOTAL Postage & Fees	\$
Postmark or Date Boyd x10 5-1-98	

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US Postal Service

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No Insurance Coverage Provided.

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Space Building Corporation
250 Cape Highway
East Taunton, MA 02718

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Boyd X #10 5-1-98	

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Unit petroleum Company

P.O. Box 702500

Tulsa, OK 74170

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
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Postmark or Date Boyd x 10 5-1-98	

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US Postal Service

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No Insurance Coverage Provided.

Postage for International Mail (See reverse)

Brown Brothers Harriman Trust

William B. Oliver Trust

2001 Ross Ave

Suite 1150

Dallas, TX 75201

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US Postal Service

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J.W. Grendon

1280 Encino Dr.

San Marino, CA 91108

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David Goodnow
230 Ridgefield Rd.
Wilton, CT 06897

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Joseph R. Hodge

P.O. Box 5238

Austin, TX 78762-4321

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E.G. Holden Testamentary Trust
2524 Union Street
San Francisco, CA 94123

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No Insurance Coverage Provided.

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Dr. Isaac A. Kawasaki

734 Kalanipuu

Honolulu, HI 96825

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Frederick Van Vranken Jr.

P.O. Box 264

Jericho, NY 11753

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Betsy H. Keller

2524 Union St.

San Francisco, CA 94123

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Adolph P. Schuman

c/p James Crafts

400 Sansome St.

San Francisco, CA 94111

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Restricted Delivery Fee	
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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Charles Cline Moore

605 Market Street

San Francisco, CA 94105

PS Form 3800, April 1995

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US Postal Service

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Elizabeth J. Norman

6637 S. New Haven

Tulsa, OK 74136

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Postmark or Date Boyd x10 5-1-98	

CTB 473



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

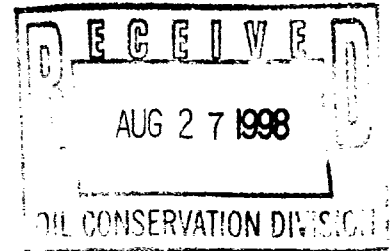
(505) 827-5760
FAX (505) 827-5766

August 26, 1998

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Ms. Pamela S. Evans

Re: Application for Surface Commingling, Off-Lease Storage Measurement
Boyd 'X' State Com Well Nos. 10, 11, and 12
S/2SE/4, SE/4NE/4
Amole 'AMM' State Com Well No. 4
NE/4SE/4
Section 16-19S-25E
North Dagger Draw Upper Penn Pool
Eddy County, New Mexico



Dear Ms. Evans:

Your application for surface commingling, off-lease storage and measurement of the production from the above-captioned wells was received on August 18, 1998.

We understand that the production from the subject wells will be metered separately and then commingled and stored at the Boyd "X" State Com Well No. 10 tank battery located in Unit Letter O, Section 16-19S-25E.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please contact Ms. Debbie Padilla of our Surface Division at (505) 827-5729 regarding a right-of-way easement for this project.

Your \$30.00 filing fee has been received.



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

July 20, 1998

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Ms. Pamela S. Evans

Re: Application for Surface Commingling
Boyd 'X' State Com Well Nos. 10, 11, and 12
S/2SE/4, SE/4NE/4
Amole 'AMM' State Com Well No. 4
NE/4SE/4
Section 16-19S-25E
North Dagger Draw Upper Penn Pool
Eddy County, New Mexico

Dear Ms. Evans:

We have received a copy of the New Mexico Oil Conservation Division's Order No. CTB-473 which notifies this office of your application to surface commingle the production from the above-captioned well.


Pursuant to State Land Office Rule Nos. 1.053, 1.054 and 1.055, please submit a copy of your commingling request to this office. Enclosed is a copy of or commingling rules and regulations. The filing fee for a commingling application is thirty (\$30.00) dollars.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
pc: Reader File

OCD