

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial No. NM-78213
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		6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation
1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	8. Well Name and No. Walt Canyon AMA Federal Com #7	
2. Name of Operator Yates Petroleum Corporation	9. API Well No. 30-015-32268	
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471	10. Field and Pool, or Exploratory Area Indian Basin/Upper Penn. Assoc.	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1273' FNL 1034' FWL (NWNW) Sec 10 T22S R24E	11. County or Parish, State Eddy County, NM	

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" 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	<input type="checkbox"/> Dispose Water
	Surface/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 administrative approval for Off Lease Measurement, Surface/Lease Commingle

Atom ANT Federal #1
Sec 10 T22S R24E
Indian Basin/Upper Penn Assoc.
Eddy County, NM
Federal Lease # NM-12375
API #30-015-27721

Walt Canyon AMA Fed #7
Sec 10 T22S R24E
Indian Basin/Upper Penn Assoc.
Eddy County, NM
Federal Lease # NM-78213
API # 30-015-32268

The battery is located at the Atom ANT Federal #1 Battery. Please see attached plat and site facility diagram.

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. Total sales volumes will be allocated back to individual wells based on daily well test.

Interest owners are identical.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily production for the Walt Canyon AMA Fed #7 is 400 bls of oil, and 1000 mcf.

The purpose of the Off Lease measurement & Surface/Lease Commingling, 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 built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

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.

14. I hereby certify that the foregoing is true and correct		
Signed <u>Marta Reyes</u>	Title Production Secretary	Date May 28, 2003
(This space for Federal or State office use) Approved by <u>(ORIG. SGD.) ALEXIS C. SMOGODA</u> PETROLEUM ENGINEER		Date <u>JUN 03 2003</u>
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.		

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease ATOM "ANT" FEDERAL COM		Well No. 1
Unit Letter D	Section 10	Township 22 SOUTH	Range 24 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 990 feet from the NORTH line and 990 feet from the WEST line					
Ground level Elev. 4001.	Producing Formation Guyon	Pool Indian Basin Upper Permian Pool	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

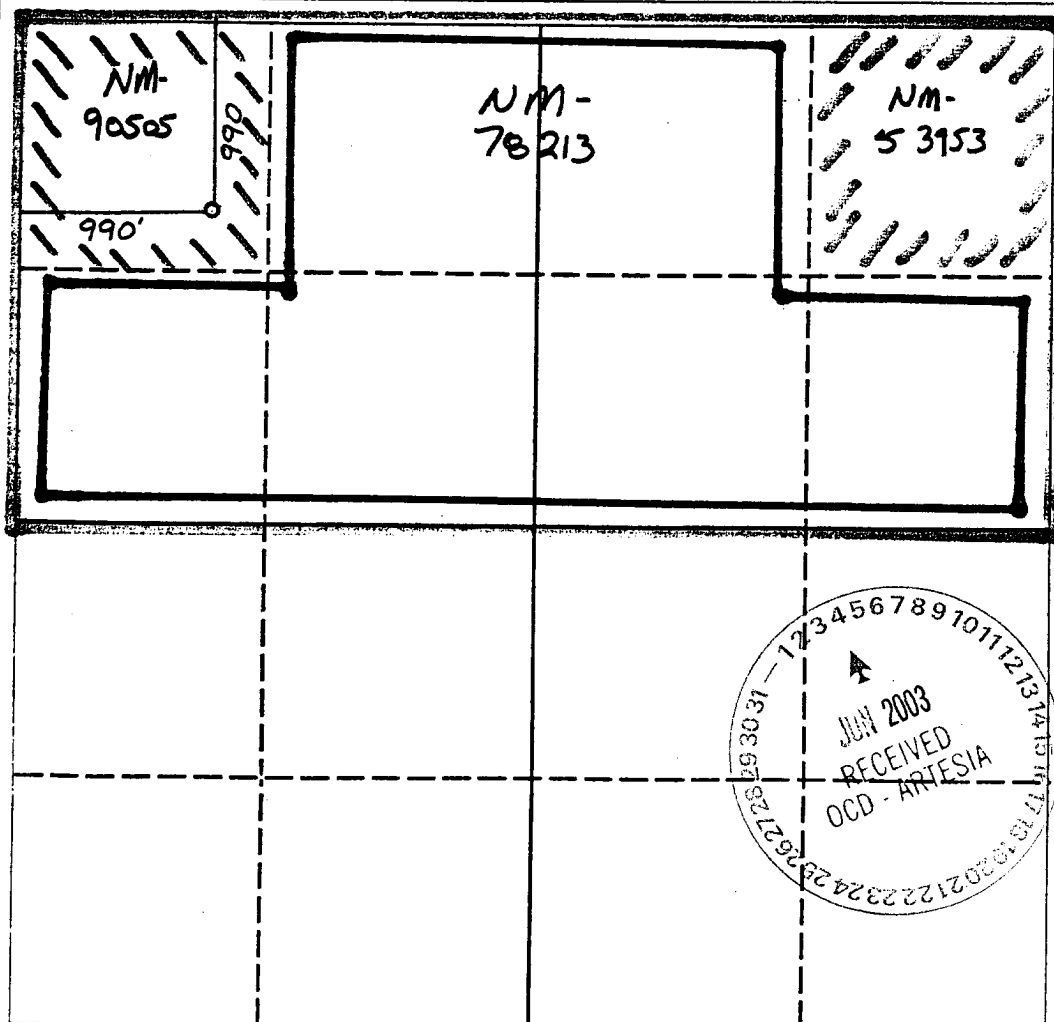
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of consolidation **Communitization**

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

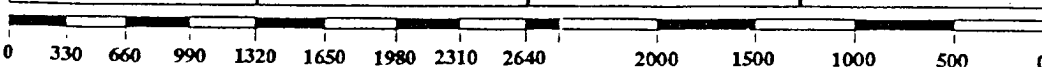
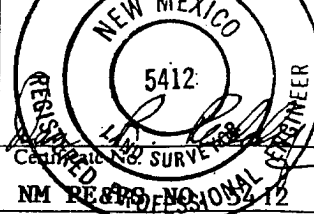
Signature
Ken Beardsley
Printed Name
Ken Beardsley
Position
Landman
Company
Yates Pet. Corp.
Date
8-18-93

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
AUGUST 17, 1993

Signature
Ken Beardsley
Professional Surveyor



DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32268-00X1		Pool Code	Pool Name Indian Basin Upper Penn Associated
Property Code	Property Name Walt Canyon AMA Federal Com.		Well Number 7
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 4020'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22S	24E		1273'	North	1034'	West	Eddy

Bottom Hole Location If Different From Surface

Oil or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
C	10	22S	24E		660'	North	1980'	West	Eddy

Dedicated Across	Joint or Infill	Consolidation Code	Order No.
320			

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

OPERATOR CERTIFICATION

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

Signature

Cy Cowan

Printed Name _____

Regulatory Agent

Index

April 3, 2003

Dante

SURVEYOR CERTIFICATION

I hereby certify that the small location shown on this plot was plotted from field notes actual surveys made by me or under supervision, and that the same is true correct to the best of my belief.

REFER TO ORIGINAL PLAT

Date Surveyed _____

Signature & Seal of
Professional Surveyor

HERSH JONES
NEW MEXICO
3640
State of New Mexico
Professional Land Surveyor
Hersh Jones RLS



105 South 4th Street * Artesia, NM 88210
(505) 748-1471

Shannon Moss- Foreman

May 15, 2003

Sight Security Diagram

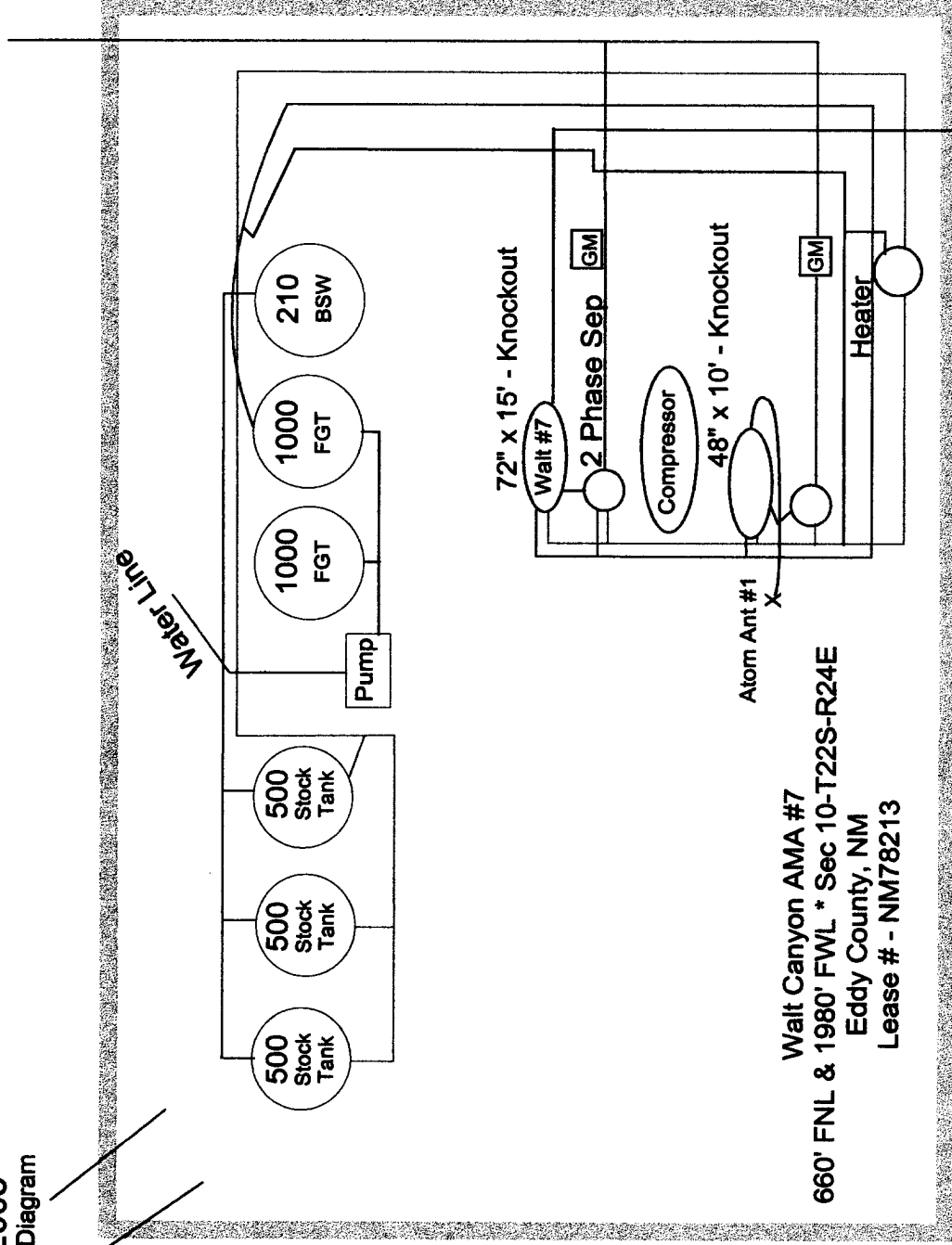
ATOM ANT FEDERAL #1 BATTERY

API - 30-015-27721

990' FNL & 990' FWL * Sec 10-T22S-R24E

Eddy County, NM

Lease # NM12375



Earthen
Berm