

OCD-ARTESIA

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

S

1. Type of Well
Oil ☐ Gas ☐
☒ Well ☐ Well ☐ Other

MAY 21 2008

2 Name of Operator
Yates Petroleum Corporation

OCD-ARTESIA

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)

1402' FNL 859' FWL (SWNW) Unit E Sec 25 T18S R30E

5. Lease Designation and Serial No.
NMLC028990B

6. If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8. Well Name and No.
Creek AL Federal #199. API Well No.
30-015-3289610. Field and Pool, or Exploratory Area
~~Hackberry/Morrow~~ - Shugart/Bone Spring

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

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

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other Surface/Pool Commingle

- ☐
- 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 Surface/ Pool Commingle the following wells:

Creek AL Federal #19
Sec 25 T18S R30E
~~Hackberry/Morrow~~ - Shugart/Bone Spring
Eddy County, NM
Federal Lease # LC028990B
API#30-015-32896Creek AL Federal #15
Sec 24 T18S R30E
Shugart/Bone Spring
Eddy County, NM
Federal Lease # NMLC028990B
API#30-015-32095

The battery is located at the Creek AL Federal #15. Please see attached plat and site facility diagram.

The production from the Creek AL Federal #15 and #19 is measured on lease and the total sales volumes will be allocated back to individual wells based on daily well test.

Working interest owners are diversified and have been notified.

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 Creek AL Federal #15 is 25 bbls of oil, and 40 mcf and for the #19 is 15 bbls of oil and 0 mcf.

The purpose of the surface/pool 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 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

Mark Reese

Title Production Secretary

Date April 22, 2008

(This space for Federal or State office use)

Approved by */s/ JD Whitlock Jr*
Conditions of approval, if anyTitle *Lead P.E.-7*Date *5-19-08*

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.

Accepted for record - NMOCD