

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA
FORM 3160-5 APPROVED
Budget Bureau No. 4004-0135
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

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

SEP 26 2008

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)

1650' FNL & 1650' FWL Section 22-T26S-R25E (Unit F, SENW)

5. Lease Designation and Serial No.
NM-113930

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No
Retriever BJH Federal #1

9. API Well No.
30-015-20869

10. Field and Pool, or Exploratory Area
Wildcat Mississippian Gas

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 / 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 Surface Pool / Lease Commingle Gas Only the following wells.

Federal
Retriever BJH Federal #1
Wildcat / Mississippian Gas
Eddy County, NM
Federal Lease # NM-113930
API# 30-015-20869

Federal
Grange BII Federal #1
Cottonwood Springs Morrow
Eddy County, NM
Federal Lease # NM-98801
API# 30-015-35802

ACCEPTED FOR RECORD

SEP 29 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

The CDP is located Grange BII Federal #1. Please see attached plat and site facility diagram.

Working interest owners are diversified and have been notified.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Fed. #1.

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 gas production for the Retriever BJH Federal #1 - Wildcat / Mississippian Gas is 200 mcfpd and for the Grange BII Federal #1 - Cottonwood Springs Morrow is 900 mcfpd

The purpose of the Surface Pool / Lease Commingle 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

Maat Kopp

Title Production Secretary

Date June 20, 2008

(This space for Federal or State Office use)

Approved by

DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

SEP 22 2008

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 ATTACHED FOR
CONDITIONS OF APPROVAL

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220-6292
(505) 234-5972**

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.