

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
1625 N. French Dr.
Hobbs, NM 88240

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. LC068281-B
2. Name of Operator QUAY VALLEY, INC.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. BOX 10280, MIDLAND, TEXAS 79702-7280 915/687-4220	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL AND 330' FWL OF SECTION 20, T-26-S, R-32-E NMPM	8. Well Name and No. CONOCO B FEDERAL #1
	9. API Well No. 30-025-30457
	10. Field and Pool, or Exploratory Area MASON DELAWARE NORTH
	11. County or Parish, State LEA COUNTY, NEW MEXICO

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"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>SURFACE COMMINGLE AND OFF LEASE GAS MEASUREMENT</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)*

QUAY VALLEY, INC. REQUESTS APPROVAL OF A SURFACE COMMINGLE PERMIT TO COMMINGLE THE CONOCO B FEDERAL #1 WITH THE PRODUCTION OF THE CONOCO E FEDERAL #1 LOCATED IN UNIT LETTER H, 660' FEL AND 1650' FNL, SECTION 30, T-26-S, R-32-E, NMPM, LEA COUNTY, NEW MEXICO; AND THE CONOCO C FEDERAL #1 LOCATED IN UNIT LETTER A, 330' FNL AND 990' FEL, SECTION 30, T-26-S, R-32-E, NMPM, LEA COUNTY, NEW MEXICO. THE OIL PRODUCTION WILL BE ALLOCATED BY WELL TESTS (EACH LEASE HAS ONLY ONE WELL).

THIS REQUEST HAS ALREADY BEEN APPROVED BY NMCD COMMINGLING ORDER CTB-432

ALSO REQUESTED IS OFF LEASE MEASUREMENT OF CASINGHEAD GAS AT METER RUN LOCATED AT TANK BATTERY OF CONOCO FEDERAL LEASE, UNIT LETTER I, SECTION 19, T-26-S, R-32-E, LEA COUNTY, NEW MEXICO.

THIS WILL BE THE MOST COST EFFECTIVE WAY TO KEEP THESE THREE MARGINAL WELLS IN PRODUCTION.

14. I hereby certify that the foregoing is true and correct

Signed Quanita A. Michaelis Title Agent Date 11/24/99
(This space for Federal or State office use)
Approved by [Signature] Title PA Date 11/24/99
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

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