

207 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 746-3558

Santa Fa

MARTIN YATES, III

December 30, 1977

DHC- 932 Due - 1/23/78

Joe D. Ramey, Secretary Director New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87501

> Downhole Commingling Re: Federal CZ #1, B-8-18S-25E

Dear Sir:

Yates Petroleum Corporation seeks administrative approval to downhole commingle the Richard Knob Morpow and Eagle Creek Permo-Penn as provided for in OCC order No. R-5460 dated June 14, 1977. In compliance with Rule 2 of this order, the following information is submitted:

- (a) Operator: Yates Petroleum Corporation, 207 South 4th Street, Artesia, New Mexico.
- (b) Lease: Federal CZ #1, 660/N 1980/E Sec 8-18S-25E.
- (c) Attached: Lease Ownership map showing N/2 dedication and Yates Petroleum Corporation is sole offset operator.
- (d) Attached: Mechanical log of the well
- (e) Attached: Diagrammatic sketch of well with dual packers, one tubing. To commingle, pull X-over tool in upper packer thereby allowing gas from the Morrow and Cisco completions to flow into the same tubing.
- (f) Attached: Decline curves or production history of each zone showing established rates of decline and calculated reserves.
- (g) Formula for allocation of production is based on direct proportion of remaining gas reserves and GOR history.
- (h) Produced fluids are gas and condensate only and, therefore, incompatibility is no problem. However, because of the sensitivity of the Morrow Sands, a standing valve will be installed in the on-off tool at the Morrow packer.



Page 2 Mr. Joe D. Ramey December 30, 1977

(i) Well is on a federal lease and the USGS is notified of this proposal by copy of this application and a sundry report.

Commingling will enhance the ultimate recovery of hydrocarbons from both zones, thereby conserving a natural resource and will not interfere with the correlative rights of owners since owners of each zone are the same.

Yours very truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood

Engineer

EMM/ob Enclosures



DEC 30 1977 U.S. GEOLOGICAL SURVEY ARTESIA, NEW MEXICO

Form	9-331
(May	1963)

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

## UNITED STATES

PULL OR ALTER CASING

MULTIPLE COMPLETE

ARANDON\*

Form approved. Budget Bureau No. 42-R1424.

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

DEPA	RTMENT OF THE INTERIOR (Other instructions on re GEOLOGICAL SURVEY	5. LEASE DESIGNATION AND SERIAL NO. NM 0471842	
SUNDRY N (Do not use this form for pure "API	6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
OIL GAS WELL OTH	ER	7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR		8. FARM OR LEASE NAME	
Yates Petroleum (	Corporation	Federal CZ	
3. ADDRESS OF OPERATOR		9. WELL NO.	
207 South 4th St	reet, Artesia, NM 88210	1	
4. LOCATION OF WELL (Report locat	tion clearly and in accordance with any State requirements.*	10. FIELD AND POOL, OR WILDCAT	
See also space 17 below.) At surface		Richard Knob (AtokaMorro	
660/N 1980,	/E Sec 8-18S-25E	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	
		Unit B, 8-18S-25E	
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY OR PARISH 13. STATE	
	3612 KB	Eddy NM_	
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NOTICE OF	INTERNATION TO	, , , , , , , , , , , , , , , , , , , ,	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) Downhole commingling 17. 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.) \*

WATER SHUT-OFF

SHOOTING OR ACIDIZING

We propose to downhole commingle the Richard Knob Atoka Morrow with the Eagle Creek Permo Penn and to apportion future production as follows:

Gas-Eagle Creek Permo Penn -162.6 MM Richard Knob Atoka Morrow -120.0 MM 282.6

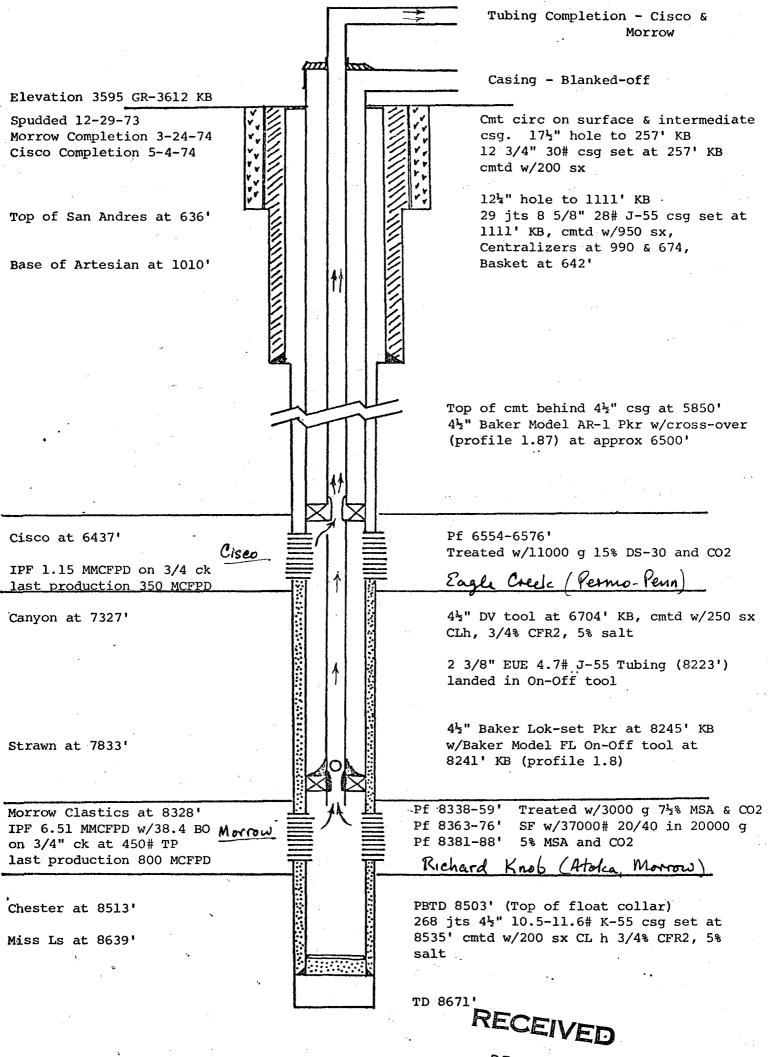
Liquids - Eagle Creek Permo Penn -968b. Richard Knob Atoka Morrow -155 b. .138 1123

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	1		U.S. GEOLO 30 1977	
SIGNED SIGNED	et TITLE _	Engineer	MATESIA, NEW MEXICO	<b>/</b> 30/77
(This space for Federal or State office use)				
APPROVED BYCONDITIONS OF APPROVAL, IF ANY:	_ TITLE _		DATE	

## YATES PETROLEUM CORPORATION

Diagrammatic Sketch of Proposed Dual Completion/& Commingled Downhole Federal "CZ" #1, 660' FNL, 1980" FEL, Section 8-T18S-R25E

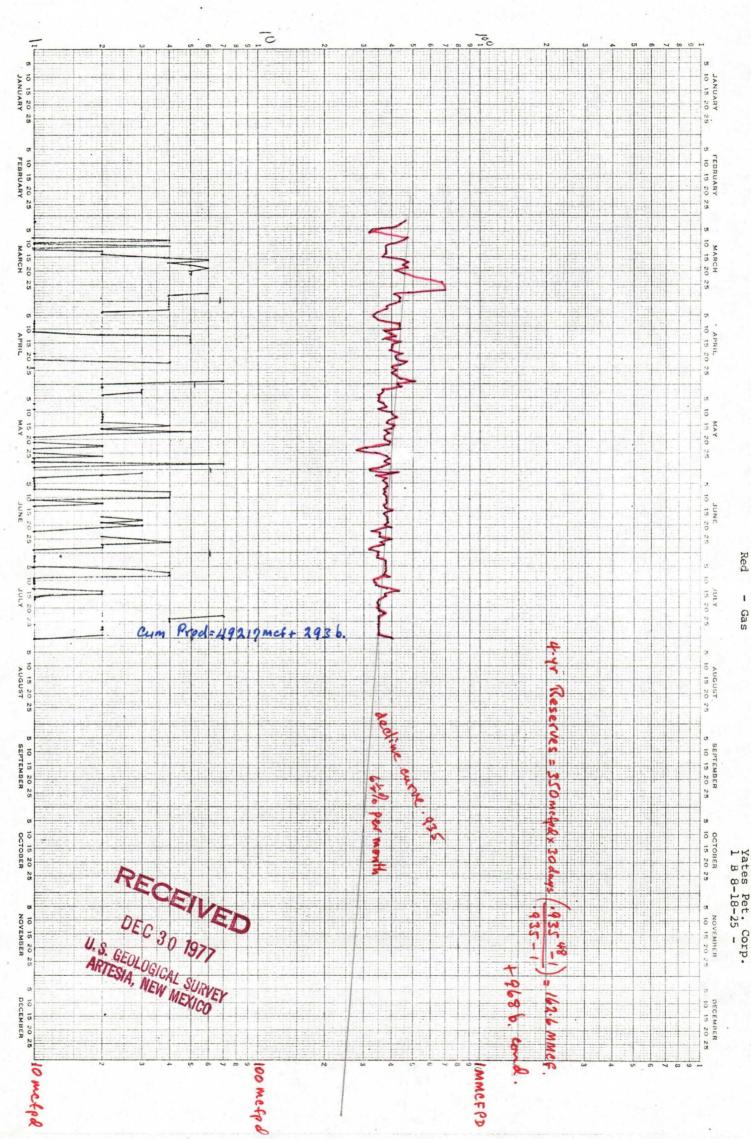
Eddy County, New Mexico



DEC 30 1977

U.S. GEOLOGICAL SURVEY ARTESIA, NEW MEXICO

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Black - Oil Red - Gas

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Yates Pet. Corp.

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