

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 South First Street, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Form C-107A  
Revised May 15, 2000

APPLICATION TYPE  
X Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
X Yes    No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street  
Operator Address  
Fender State Unit 1 K 9 10S 32E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 025575 Property Code API No. 30-025-00012 Lease Type    Federal X State    Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Abo	Mescalero North Cisco	Wildcat Morrow
Pool Code	97019	45750	96070
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8379'-8393'	8937-9255'	11244'-11256'
Method of Production (Flowing or Artificial Lift)	Unknown	Unknown	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Not completed yet	Not completed yet	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	New Zone	New Zone	Shut In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Not completed yet	Not completed yet	0 BO, 0 BW, 312 MCF 5/25/05
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas To be filed after completion	Oil Gas To be filed after completion	Oil Gas To be filed after completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No     
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes    No     
Are all produced fluids from all commingled zones compatible with each other? Yes X No     
Will commingling decrease the value of production? Yes    No X  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes    No   

NMOCD Reference Case No. applicable to this well:   

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Sam Brandon TITLE Operations Engineer DATE : August 10, 2005  
TYPE OR PRINT NAME: Sam Brandon TELEPHONE NO. (505)-748-4281

The Wildcat Abo and Mescalero Cisco have not yet been completed and Wildcat Morrow is a new zone, not yet on production and production curves are not available.

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
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DENNIS G. KINSEY  
TREASURER

August 10, 2005

RECEIVED  
AUG 12 2005  
OIL CONSERVATION

David Catanach  
State of New Mexico  
OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Abo, Mescalero Cisco and Wildcat Morrow pools in our Fender State Unit No.1 located in Unit K of Section 9, Township 10 South, Range 32 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

Sam Brandon  
Operations Engineer

SB

Enclosures