

9/28/05  
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

DHC-3573  
State of New Mexico  
Energy, Minerals and Natural Resources Department

PWJT 0529151826  
Form C-107A  
Revised May 15, 2000

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

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  
Indigo BHC State Com 4 D 5 12S 35E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 025575 Property Code API No. 30-025-37086 Lease Type Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	UNDES NORTH RANGES	UNDES FOUR LAKES	UNDES FOUR LAKES
Pool Name	LAKE Wildcat Atoka GAS	Wildcat Morrow GAS	Wildcat Mississippian GAS
Pool Code	97349	97082	97053
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12036'-12044' Proposed perforations	12232'-12236' Proposed perforations	12341'-12363'
Method of Production (Flowing or Artificial Lift)	Not yet perforated	Not yet perforated	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)	NA	NA	4945 psi
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.)	New Zone	New Zone	9/17/05 3 BO, 9 BW, 333 MCF
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 submitted	Oil Gas To be submitted	Oil Gas To be submitted

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 : September 20, 2005  
TYPE OR PRINT NAME: Sam Brandon TELEPHONE NO. (505)-748-4281

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  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

September 20, 2005

RECEIVED  
SEP 24 2005  
OIL CONSERVATION  
DIVISION

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 Atoka, Wildcat Morrow and Wildcat Mississippian pools in our Indigo BHC State Com No.4 located in Unit D of Section 5, Township 12 South, Range 35 East, Lea County.

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

Sincerely,

Sam Brandon  
Operations Engineer

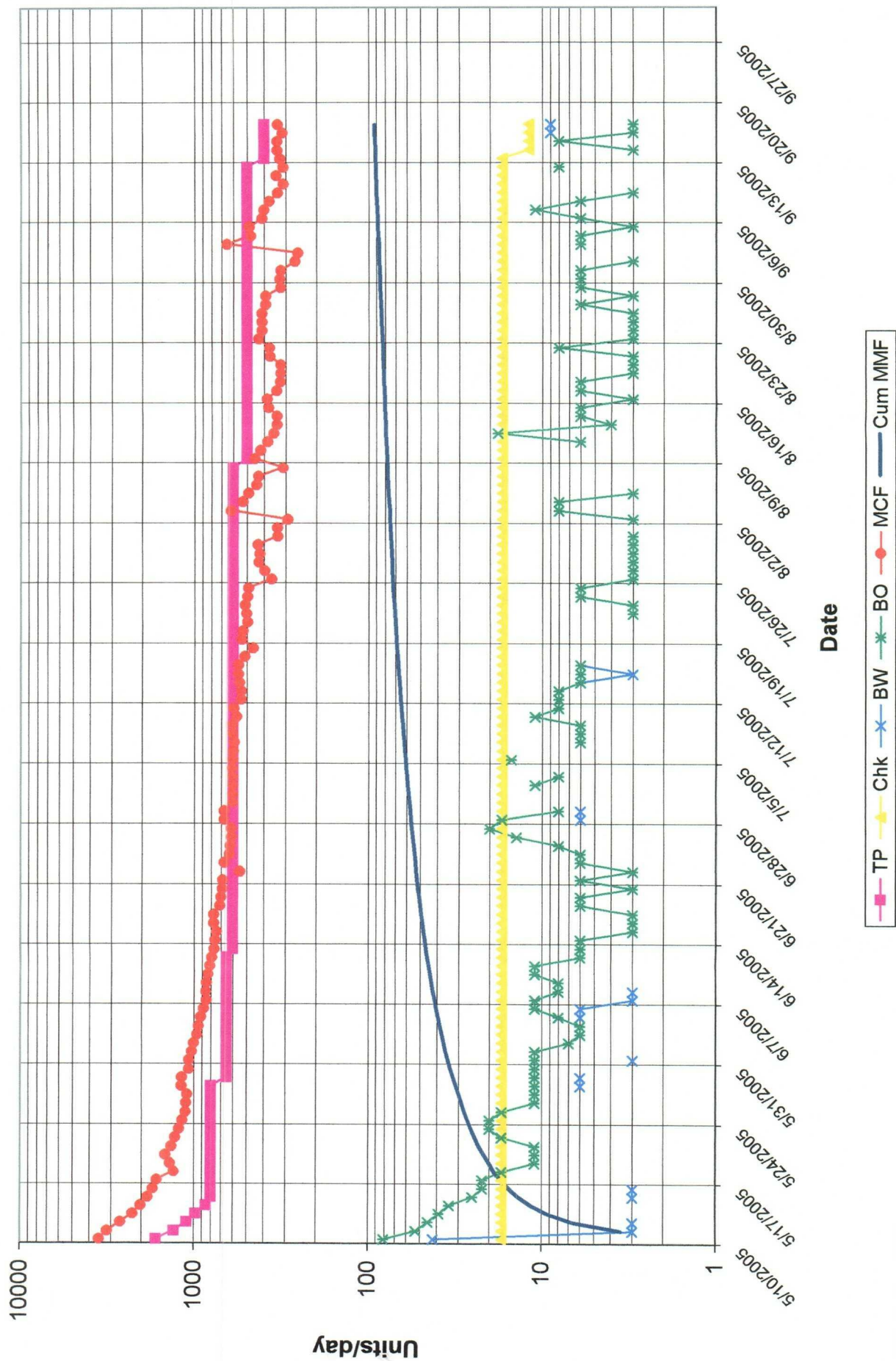
SB

Enclosures

The Wildcat Atoka, Wildcat Morrow are new zones, not yet on production and production curves are not available.

Production rates will be submitted upon completion of the Morrow and Atoka zones.

# Indigo BHC State Com #4 Austin Cycle





PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

October 5, 2005

Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico 88210-2118

Attn: Mr. Sam Brandon

Re: Application for Downhole Commingling  
Indigo BHC State Com Well No. 4  
Unit Letter D, Section 5-12S-35E  
Wildcat Atoka, Wildcat Morrow, Wildcat Mississippian Pools  
Lea County, New Mexico

RECEIVED  
OCT 6 2005  
OIL CONSERVATION  
DIVISION

Dear Mr. Brandon:

Thank you for your application to downhole commingle the Wildcat Atoka, Wildcat Morrow, Wildcat Mississippian pools. Since it appears that all the New Mexico Oil Conservation Division's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and our approval is subject to like approval by the OCD.

Your \$30.00 filing fee has been received. Please send a copy of the OCD's approval order as soon as possible.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
PL/JB/cpm  
xc: Reader File

~~OCD--Attention: David Catanach~~

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State