

DHC 2/7/00

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

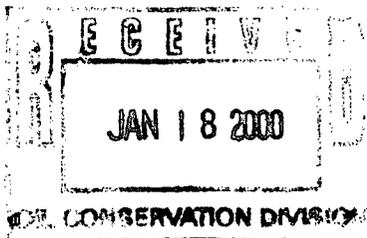


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

*See*

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

January 13, 2000



David Catanach  
State of New Mexico  
OIL CONSERVATION DIVISION  
2040 S. Pacheco Street  
Santa Fe, NM 87505-5472

Dear Mr. Catanach,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Spear OA Federal #3 located in Unit L of Section 15, Township 9 South, Range 26 East, Chaves County.

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

*James W. Pringle*

James W. Pringle  
Operations Engineer

JP/th

Enclosures

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TREASURER

January 13, 2000

Tim Gum  
State of New Mexico  
OIL CONSERVATION DIVISION  
811 S. First Street  
Artesia, NM 88210

Dear Mr. Gum,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Spear OA Federal #3 located in Unit L of Section 15, Township 9 South, Range 26 East, Chaves County.

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle  
Operations Engineer

JP/th

Enclosures

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Form C-107-A  
Revised August 1999

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 S. 4th Street, Artesia, NM 88210

Operator Address

Spear OA Federal 3 L 15 - 9S - 26E Chaves

Lease Well No. Unit Ltr.-Sec-Twp-Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 025575 Property Code 012766 API NO. 30-005-62079 Federal  State  (and/or) Fee

The following facts are submitted in support of downhole commingling	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Foor Ranch Wolfcamp 76750		Foor Ranch Pre-Permian Gas 76730
2. Top and Bottom of Pay Section (Perforations)	5020 - 5392'		5922 - 6094'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 1475 psi	a. (Current)	a. (Current) 1440 psi
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 1475 psi	b. (Original)	b. (Original) 1780 psi
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (EAPI) or Gas BTU Content	1020 BTU		1064 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 01/06/00 Rates: 1600 mcf 0 bwpd	Date: Rates:	Date: 12/03/99 Rates: 18 mcfpd 5 bwpd
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: 99%	Oil: % Gas: %	Oil: % Gas: 1%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No  
If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No

11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable?  Yes  No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No

13. Will the value of production be decreased by commingling?  Yes  No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of the application.  Yes  No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

16. 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, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, date, or documents required to support commingling.

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

SIGNATURE James W. Pringle TITLE Operations Engineer DATE 1-14-00

TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182



District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number 30-005-62079		2 Pool Code 76750		3 Pool Name Foor Ranch Wolfcamp	
4 Property Code 012766		5 Property Name Spear OA Federal			6 Well Number 3
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3756'

10 Surface Location

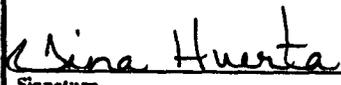
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	9S	26E		1980	South	660	West	Chaves

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Tina Huerta Printed Name Operations Technician Title 1-14-00 Date			
	18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer: Certificate Number			
				

Production curve for this zone is not available.

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-62079		Pool Code 76730	Pool Name Foor Ranch Pre-Permian Gas
Property Code 012766	Property Name Spear OA Federal		Well Number 3
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3756'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	9S	26E		1980	South	660	West	Chaves

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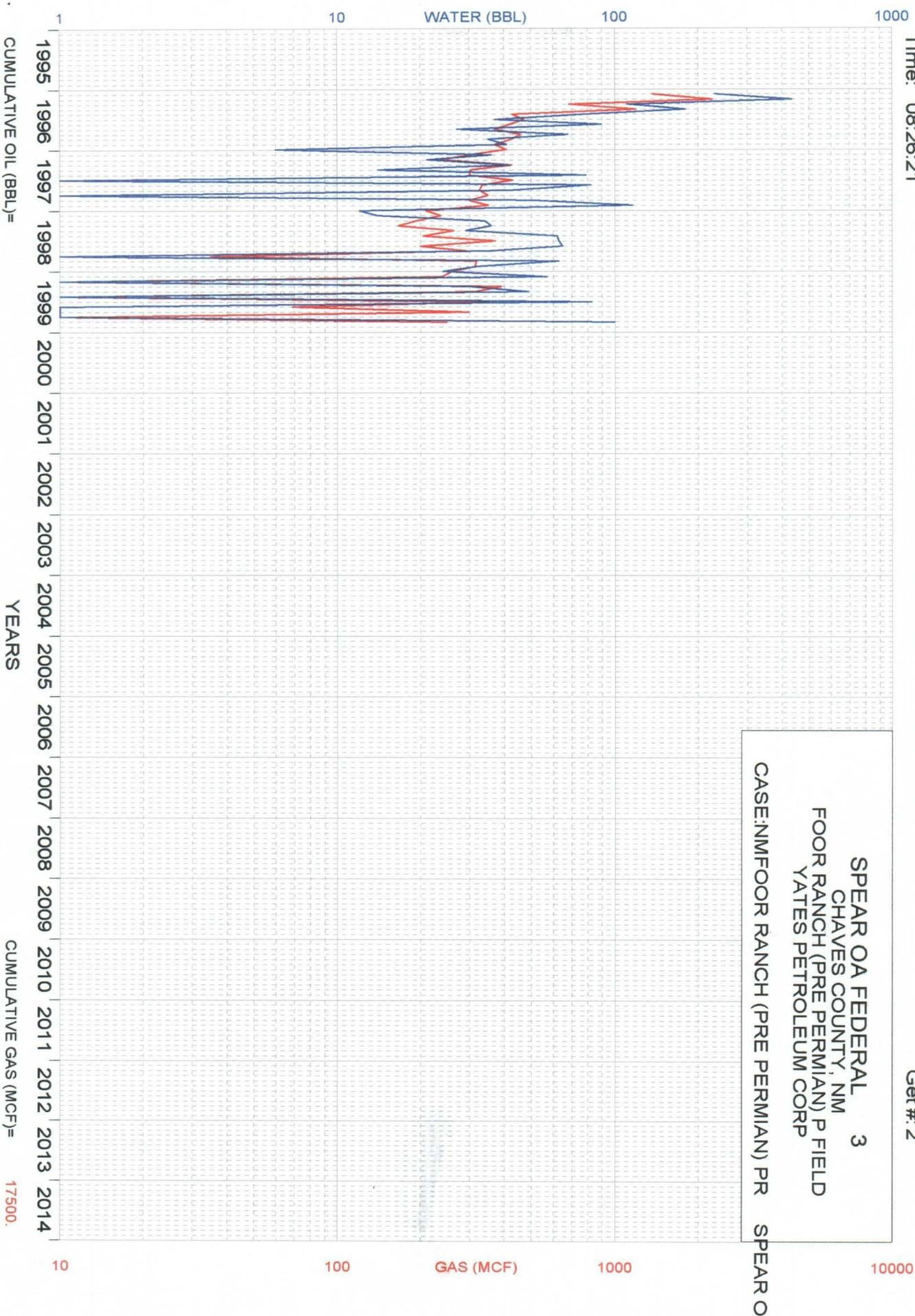
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					<i>Tina Huerta</i> Signature Tina Huerta Printed Name Operations Technician Title 1-14-00 Date
					<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
				REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer: Certificate Number	

Date: 01/13/11  
Time: 08:26:21

# PRODUCTION HISTORY

File: SPEAR3  
Get #: 2

SPEAR OA FEDERAL 3  
CHAVES COUNTY, NM  
FOOR RANCH (PRE PERMIAN) P FIELD  
YATES PETROLEUM CORP  
CASE:NMFOOR RANCH (PRE PERMIAN) PR SPEAR O



There are no other offset operators for this well other than Yates Petroleum Corporation.