

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

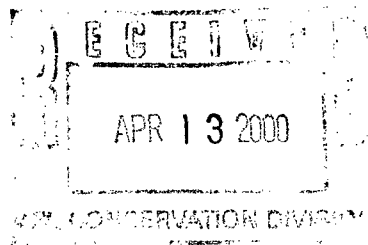


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

272

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

April 5, 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 Rio Penasco JX Com #2 located in Unit I of Section 35, Township 18 South, Range 25 East, Eddy County.

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

Sincerely,

James W. Pringle
Operations Engineer

JP/th

Enclosures

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April 5, 2000

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

Dear Mr. Gum,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Rio Penasco JX Com #2 located in Unit I of Section 35, Township 18 South, Range 25 East, Eddy County.

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

Sincerely,

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

Rio Penasco JX Com

2

I 35-18S-25E

Eddy

Lease

Well No.

Unit Ltr.-Sec-Twp-Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 025575

Property Code 12677

API NO. 30-015-23701

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	Penasco Draw Atoka 82760		Boyd Morrow 72840
2. Top and Bottom of Pay Section (Perforations)	8700'-8887'		8952'-8978'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a. (Current)	a. (Current)
Oil Zones - Artificial Lift: Estimated Current	1400 3/00		560 2/00
Gas & Oil - Flowing: Measured Current	b. (Original)	b. (Original)	b. (Original)
All Gas Zones: Estimated or Measured Original	1450 3/00		3485 4/81
6. Oil Gravity (EAPI) or Gas BTU Content	1088		1065
7. Producing or Shut-In?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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	Date: Rates:	Date: Rates:	Date: 2-7-00 Rates: 0 bo 27 mcf 0 bw
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 3-16-00 Rates: 1 bo 133 mcfpd 0 bw	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 0% Gas: 83%	Oil: % Gas: %	Oil: 0% Gas: 17%

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. See Attachment

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 _____

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 API Number 30-015-23701	² Pool Code 82760	³ Pool Name Penasco Draw Atoka
⁴ Property Code 12677	⁵ Property Name Rio Penasco JX Com	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3489'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	35	18S	25E		1650	South	660	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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.						

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> <u>Tina Huerta</u> Signature Tina Huerta Printed Name Operations Technician Title 4-4-00 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 curves for both zones are not available. The Penasco Draw Atoka has only produced for a couple of months.

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number 30-015-23701	² Pool Code 72840	³ Pool Name Boyd Morrow
⁴ Property Code 12677	⁵ Property Name Rio Penasco JX Com	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3489'

¹⁰ Surface Location

UL or lot no. I	Section 35	Township 18S	Range 25E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 660	East/West line East	County Eddy
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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
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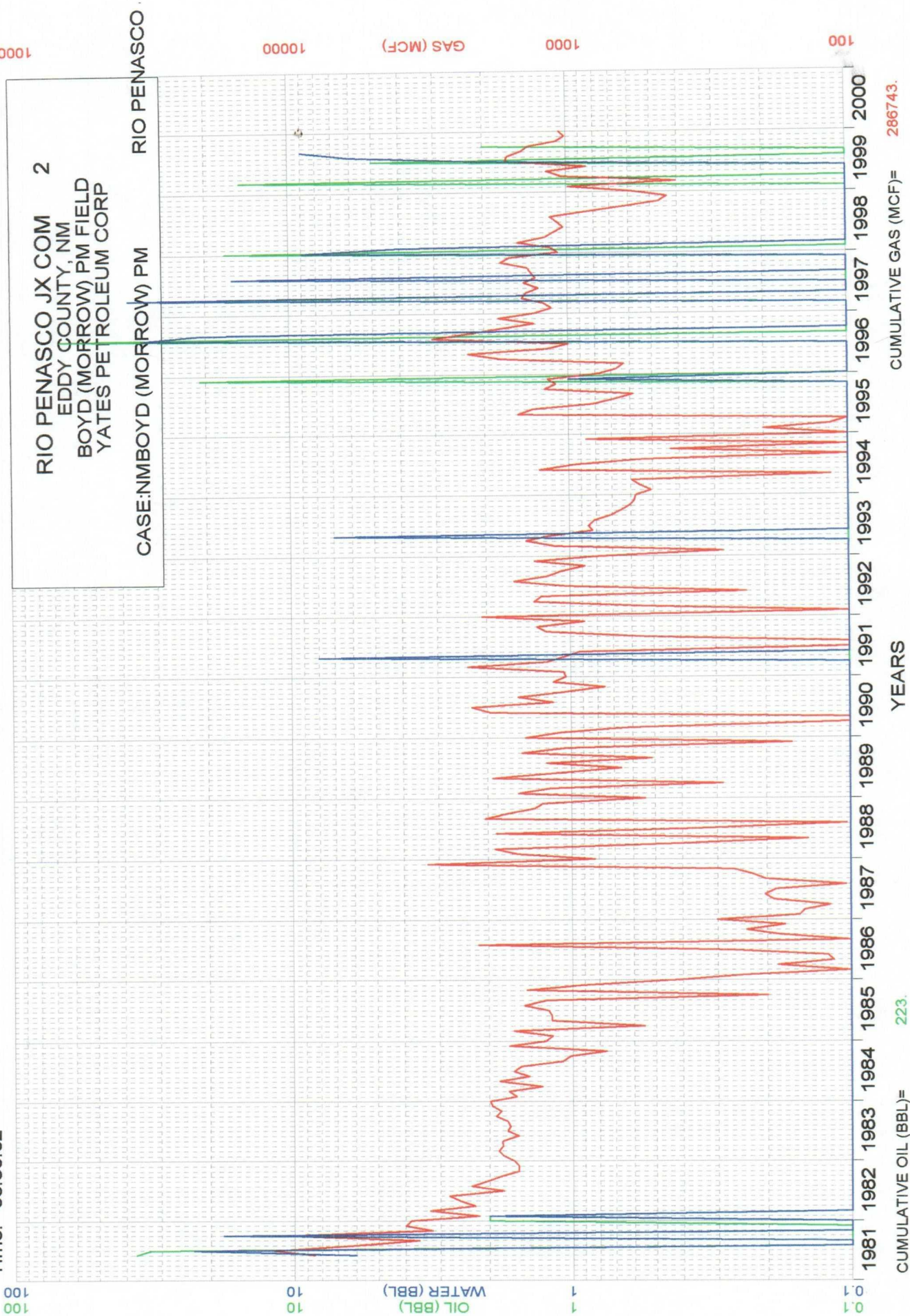
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PRODUCTION HISTORY

File: RIOPEN2
Get #: 2

Date: 03/21/**
Time: 08:30:02



[illegible]