

DHC 6/22/00

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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
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

2763

June 8, 2000

RECEIVED  
JUN 12 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 Horn YG Federal #1 located in Unit N of Section 10, Township 8 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  
Operations Engineer

JP/th

Enclosures

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June 8, 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 Horn YG Federal #1 located in Unit N of Section 10, Township 8 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  
Operations Engineer

JP/th

Enclosures

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

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

APPLICATION TYPE

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street  
Operator Address

Horn YG Federal 1 N 10 - 8S - 26E Chaves  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 12557 Property Code 24763 API No. 30-005-62140 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope Abo		Undesignated Penn
Pool Code	82730		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4518'-4532'		5751'-5769'
Method of Production (Flowing or Artificial Lift)	Flowing		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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1020 BTU		999 BTU
Producing, Shut-In or New Zone	Producing		Producing
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: 11/99 Rates: 45 mcfpd	Date: Rates:	Date: 6/84 Rates: 180 mcfpd
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 % 20%	Oil Gas % %	Oil Gas % 80%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X 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 X 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

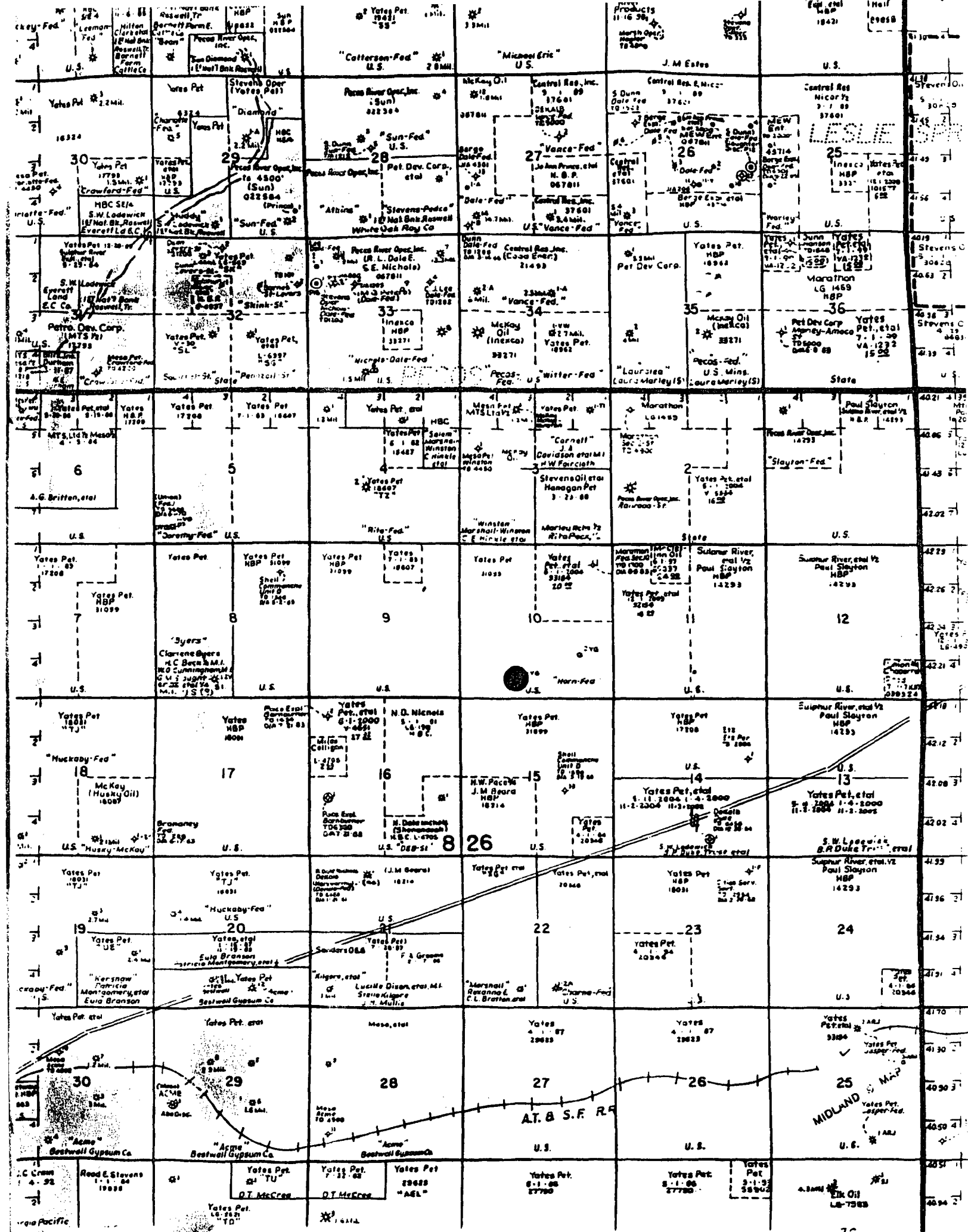
If application is to establish Pre-Approved Pools, the following additional information will be required:

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 James W. Pringle TITLE Operations Engineer DATE 6-8-00

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

API Number 30-005-62140		Pool Code 82730	Pool Name Pecos Slope Abo
Property Code 24763	Property Name Horn YG Federal		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3847'

<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
N	10	8S	26E		660	South	1980	West	Chaves

<sup>11</sup> Bottom Hole Location If Different From Surface

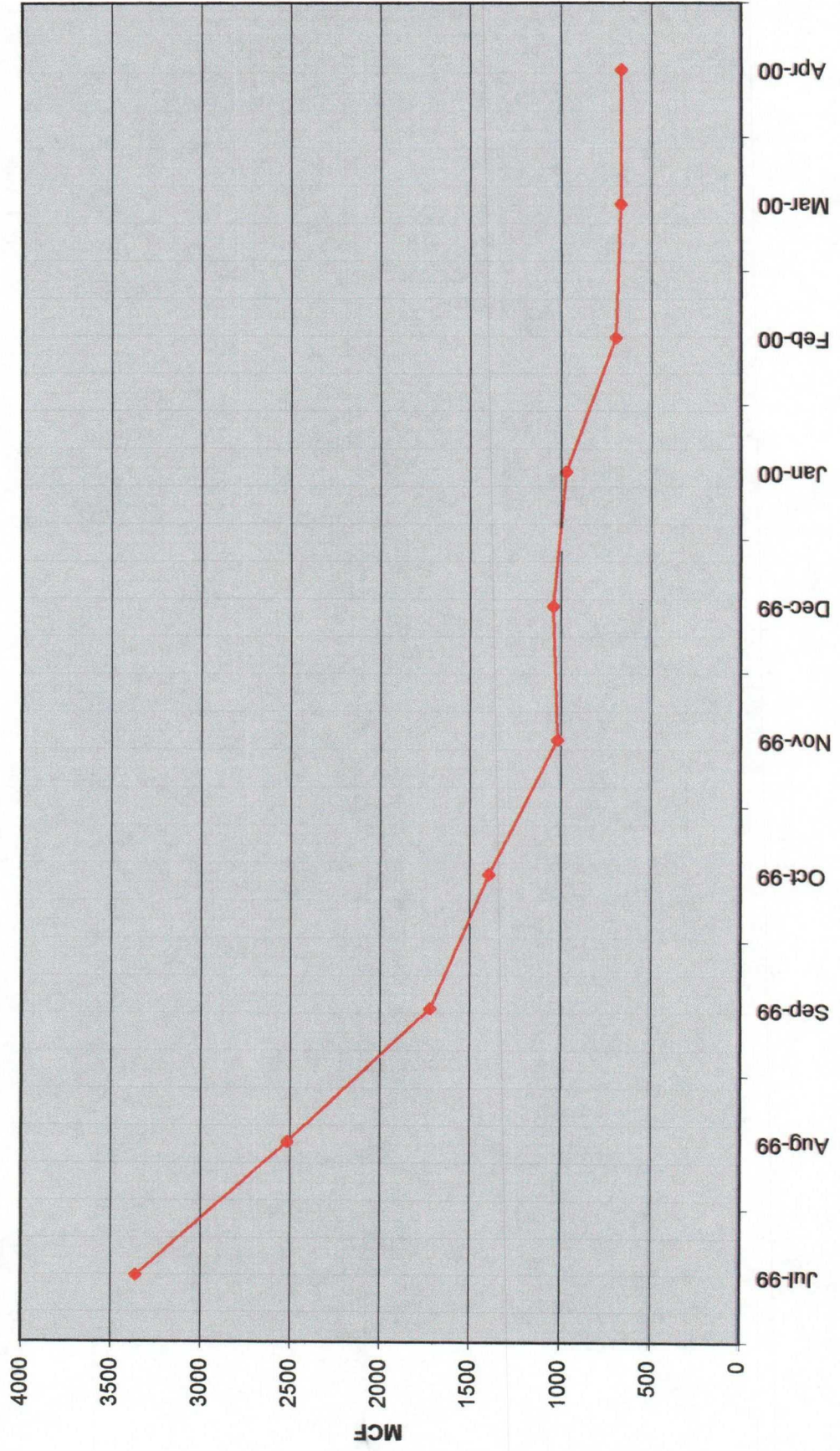
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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					<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  <u>Tina Huerta</u> Signature Tina Huerta Printed Name Operations Technician Title <u>6-8-00</u> Date
					<sup>18</sup> SURVEYOR CERTIFICATION 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.  REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

**Horn YG Federal #1**  
**Monthly Production**  
**Pecos Slope Abo**



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-62140		Pool Code	Pool Name Undesignated Penn
Property Code 24763	Property Name Horn YG Federal		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3847'

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	10	8S	26E		660	South	1980	West	Chaves

<sup>11</sup> 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

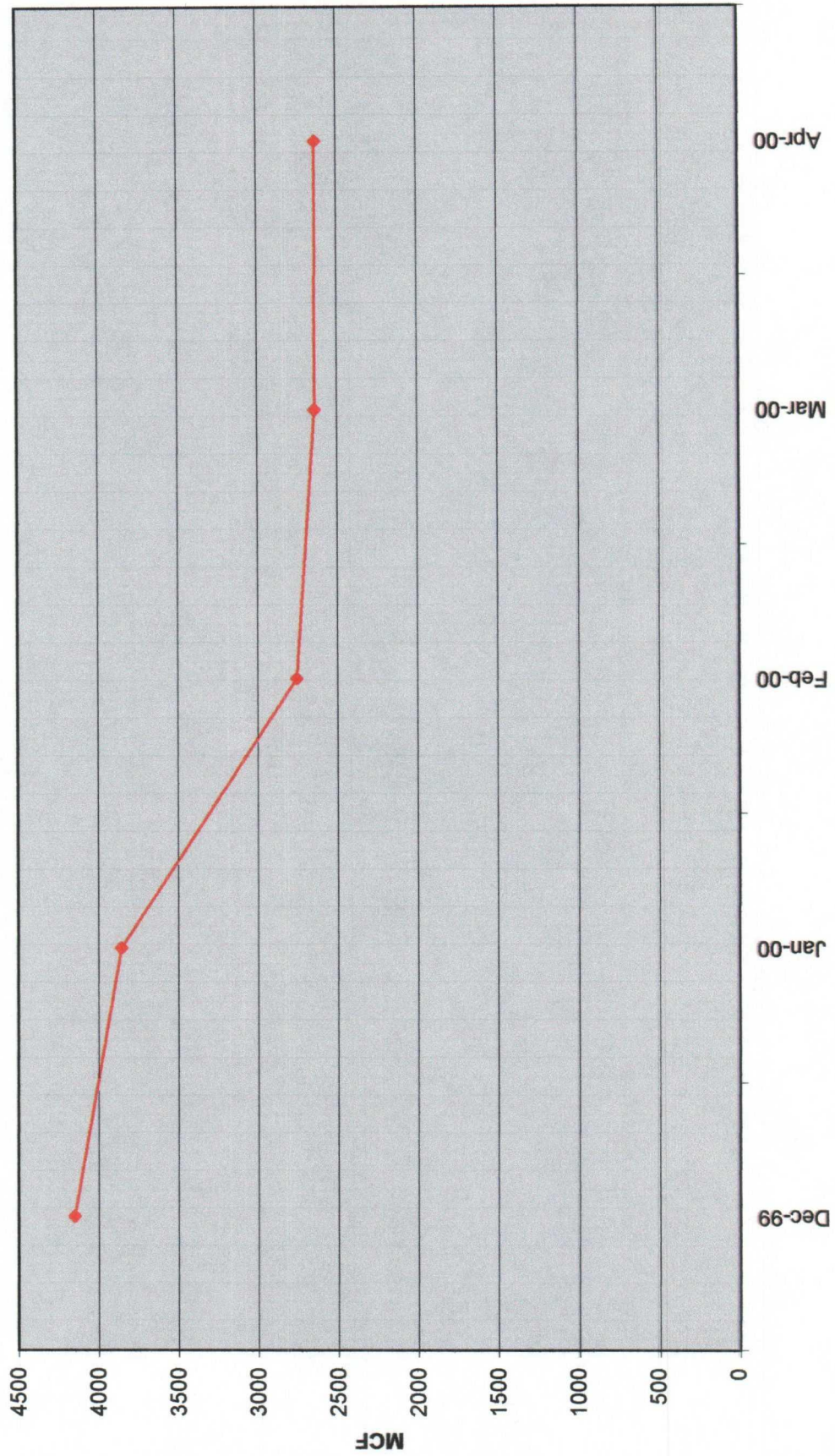
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					<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number



**Horn YG Federal #1  
Monthly Production  
Undesignated Penn**





**YATES PETROLEUM CORPORATION**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**HORN YG FEDERAL #1**  
**CHAVES COUNTY, NEW MEXICO**

McKay Oil Corporation  
P. O. Box 2014  
Roswell, NM 88202-2014

N. D. Nichols  
P. O. Box 1972  
Midland, TX 79702

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1912 - 1985  
FRANK W. YATES  
1936 - 1986



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TREASURER

June 8, 2000

McKay Oil Corporation  
P. O. Box 2014  
Roswell, NM 88202-2014

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Horn YG Federal #1 located in Unit N of Section 10, Township 8 South, Range 26 East, Chaves County. Please find a copy of application enclosed. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please call me at (505) 748-4182.

Sincerely,

James W. Pringle  
Operations Engineer

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June 8, 2000

N. D. Nichols  
P. O. Box 1972  
Midland, TX 79702

Mr. Nichols,

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Should you have any questions, or need additional information, please call me at (505) 748-4182.

Sincerely,

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

James W. Pringle  
Operations Engineer

JP/th