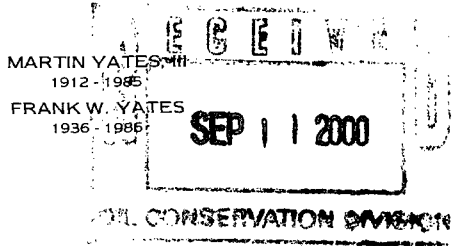


25827820

DHC 10/2/00



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

2840

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 7, 2000

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Townsend Permo-Upper Penn and Shoebar Strawn, Northwest pools in our Big Flat ASN State Com #3 located in Unit O of Section 10, Township 16 South, Range 35 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

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



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TELEPHONE (505) 748-1471

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SECRETARY
DENNIS G. KINSEY
TREASURER

September 7, 2000

Chris Williams
State of New Mexico
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, NM 88240

Dear Mr. Williams,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Townsend Permo-Upper Penn and Shoebar Strawn, Northwest pools in our Big Flat ASN State Com #3 located in Unit O of Section 10, Township 16 South, Range 35 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

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DENNIS G. KINSEY
TREASURER

September 7, 2000

Pete Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Mr. Martinez,

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Big Flat ASN State Com #3.

Should you have any questions, feel free to contact me at (505) 748-4174. Thank you.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

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 FOR DOWNHOLE COMMINGLING

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

Yates Petroleum Corporation 105 South Fourth Street
Operator Address

Big Flat ASN State Com 3 O 10 16S 35E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 23124 API No. 30-025-35066 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Townsend Permo-Upper Penn		Shoebar Strawn, Northwest
Pool Code	59847		56280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,818'-10,889'		11,255'-11,302'
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)	Not Required		Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	44.5° API		45° API
Producing, Shut-In or New Zone	Not Completed Yet		Not Completed Yet
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.)	<i>Abundant 320 Bopd</i> Date: Estimated Rates Rates: 200 bopd, 400 mcf, 25 bwpd	Date: Rates:	<i>320 Bopd</i> Date: Estimated Rates Rates: 500 bopd, 1000 mcf, 25 bwpd
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 % % Formula will be submitted for approval after completion	Oil Gas % %	Oil Gas % % Formula will be submitted for approval after completion

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ 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 ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

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: DHC-2755, DHC-2769 & DHC-2774

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

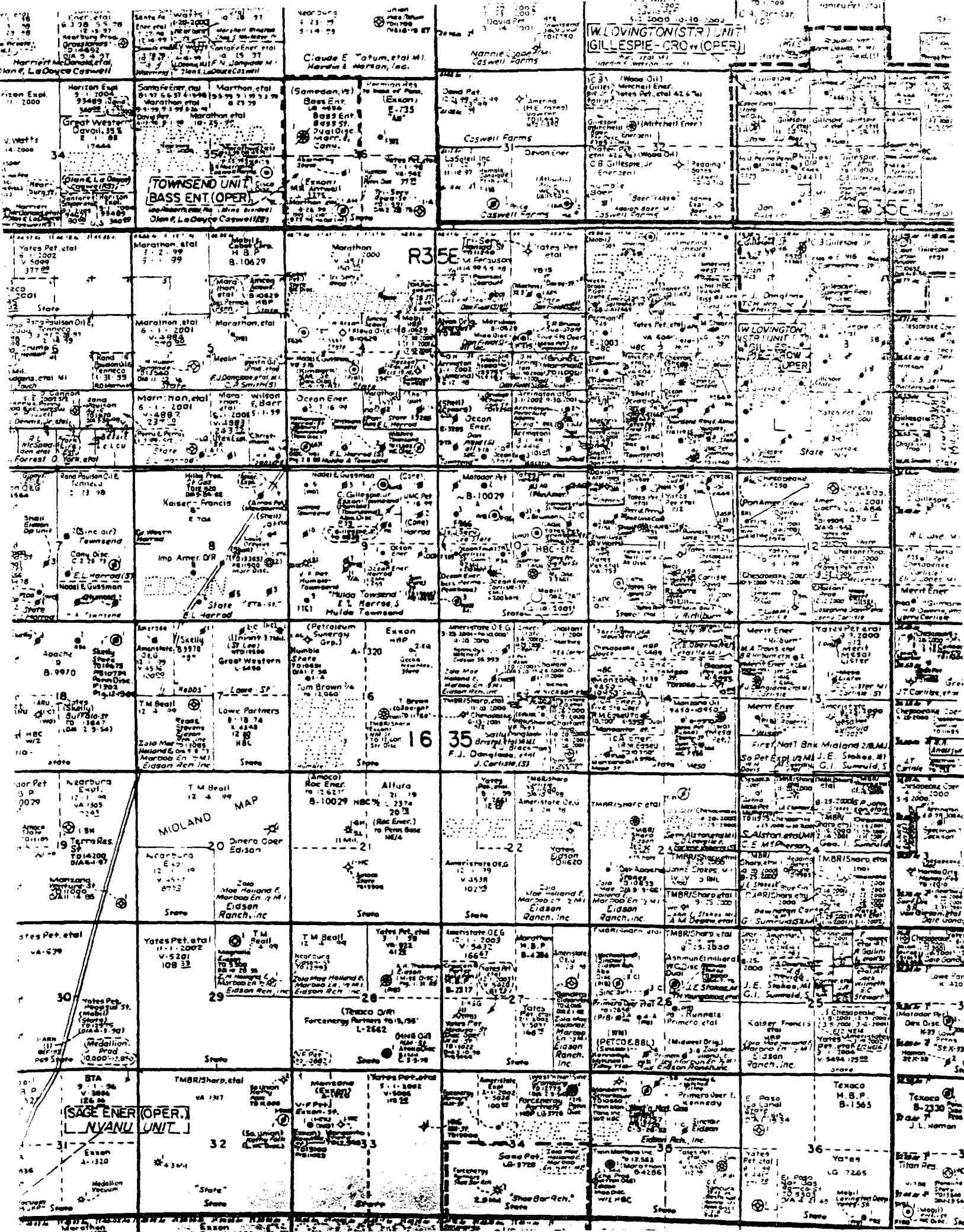
If application is to establish Pre-Approved Pools, the following additional information will be required:

- 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 Albert R. Stall TITLE Operations Engineer DATE 9-7-00

TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174



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 30-025-35066	Pool Code 59847	Pool Name Townsend Permo-Upper Penn
Property Code 23124	Property Name Big Flat ASN State Com	Well Number 3
OGRID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 3994'

¹⁰ Surface Location

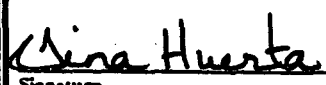
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	16S	35E		845	South	1980	East	Lea

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.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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 9-7-00 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 Surveyor: Certificate Number

The Townsend Permo-Upper Penn pool has not been completed, there will be no production curve for this zone.

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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101
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 APL Number 30-025-35066		1 Pool Code 56280		1 Pool Name Shoebar Strawn, Northwest	
4 Property Code 23124		4 Property Name Big Flat ASN State Com			4 Well Number 3
1 OGRID No. 025575		1 Operator Name Yates Petroleum Corporation			1 Elevation 3994'

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
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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

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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The Shoebar Strawn, Northwest pool has not been completed, there will be no production curve for this zone.

YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
OWNERS OF INTEREST
BIG FLAT ASN STATE COM #3
LEA COUNTY, NEW MEXICO

Ocean Energy
P. O. Box 4970
Houston, TX 77210-4970

Mobil Producing TX & NM, Inc.
P. O. Box 676328
Dallas, TX 75267-6328

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September 7, 2000

Ocean Energy
P. O. Box 4970
Houston, TX 77210-4970

Dear Sir or Madam,

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Should you have any questions, or need additional information, please call me at (505) 748-4174.

Sincerely,

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Operations Engineer

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