

8/28/02	SUSPENSE NA	ENGINEER WJ	LOGGED IN WJ	TYPE DHC	APP NO 224239743
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____

AUG 28 2002

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James W. Pringle
Print or Type Name

James W. Pringle
Signature

Operations Engineer
Title

8-26-02
Date

e-mail Address

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 Artesia, New Mexico 88210
Operator Address
Johnson "IL" 4 K Section 30, T6S, R26E Chaves-----
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code API No. 30-005-63330 Lease Type: Federal State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope (Abo)		Cottonwood Ranch (Penn)
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			3698-4084'
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)	1030 BTU		1050 BTU
Producing, Shut-In or New Zone	New		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: Rates: 350 MCFD 0 BOPD 0 BWPD		Date: 8/8/02 Rates 32 MCFD 0 BOPD 0 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 0% Gas 92%		Oil 0% Gas 8%

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: _____

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: 8/26/02
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182

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

August 26, 2002

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 Pecos Slope Abo and the Cottonwood Ranch (Penn) in our Johnson "IL" #4 located in Unit K of Section 30, Township 6 South, Range 26 East, Chaves County.

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

Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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TREASURER

August 26, 2002

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

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo and the Cottonwood Ranch (Penn) in our Johnson "IL" #4 located in Unit K of Section 30, Township 6 South, Range 26 East, Chaves County.

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

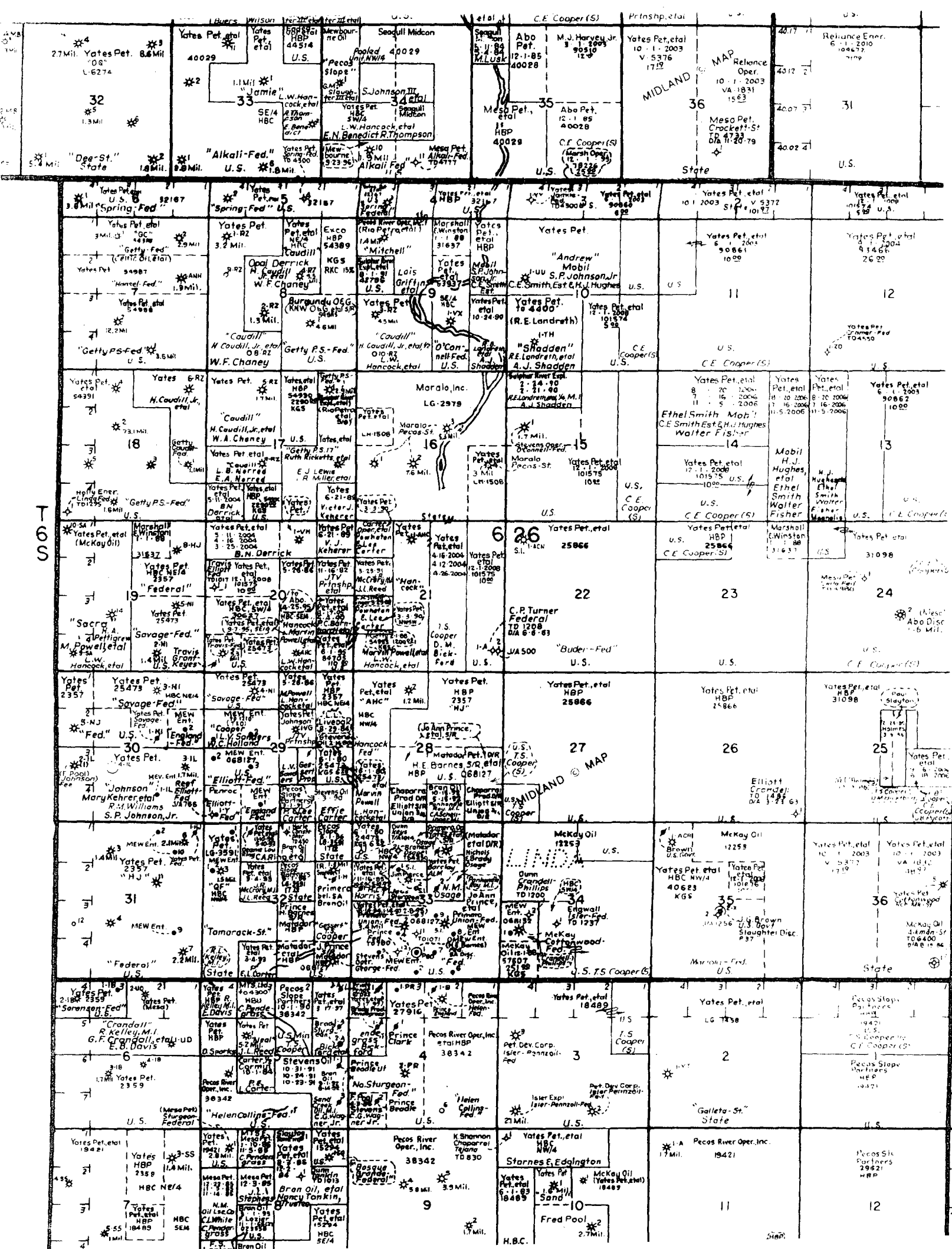
Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

Enclosures



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-3719
District III
1000 Rio Brazos Rd., Aztec, NM 87419
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-101
Revised February 10, 1990
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 30-005-63330		1 Pool Code		1 Pool Name Cottonwood Ranch (Penn)	
1 Property Code		1 Property Name Johnson "IL"			1 Well Number 4
1 OGRID No. 025575		1 Operator Name Yates Petroleum Corporation			1 Elevation 3704

10 Surface Location

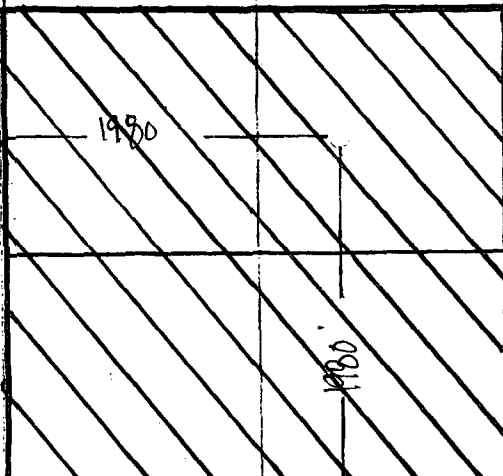
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	6S	26E		1980	South	1980	West	Chaves

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 Designated Acres 160	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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Cherry Matchus</u> Cherry Matchus Printed Name Operations Technician Title 8/26/02 Date	
				18 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 Surveyer: Certificate Number	

JOHNSON IL 4 CHAVES COUNTY, NM COTTONWOOD RANCH (PENN FIELD)

PSD
Phase
Type
Decline(%)
qi
Cum(M) 06/2002 33.572
Remaining(M)
Ultimate(M)
OGRE Cum(M)
OGRE Ult(M)

05/01/1902
GAS

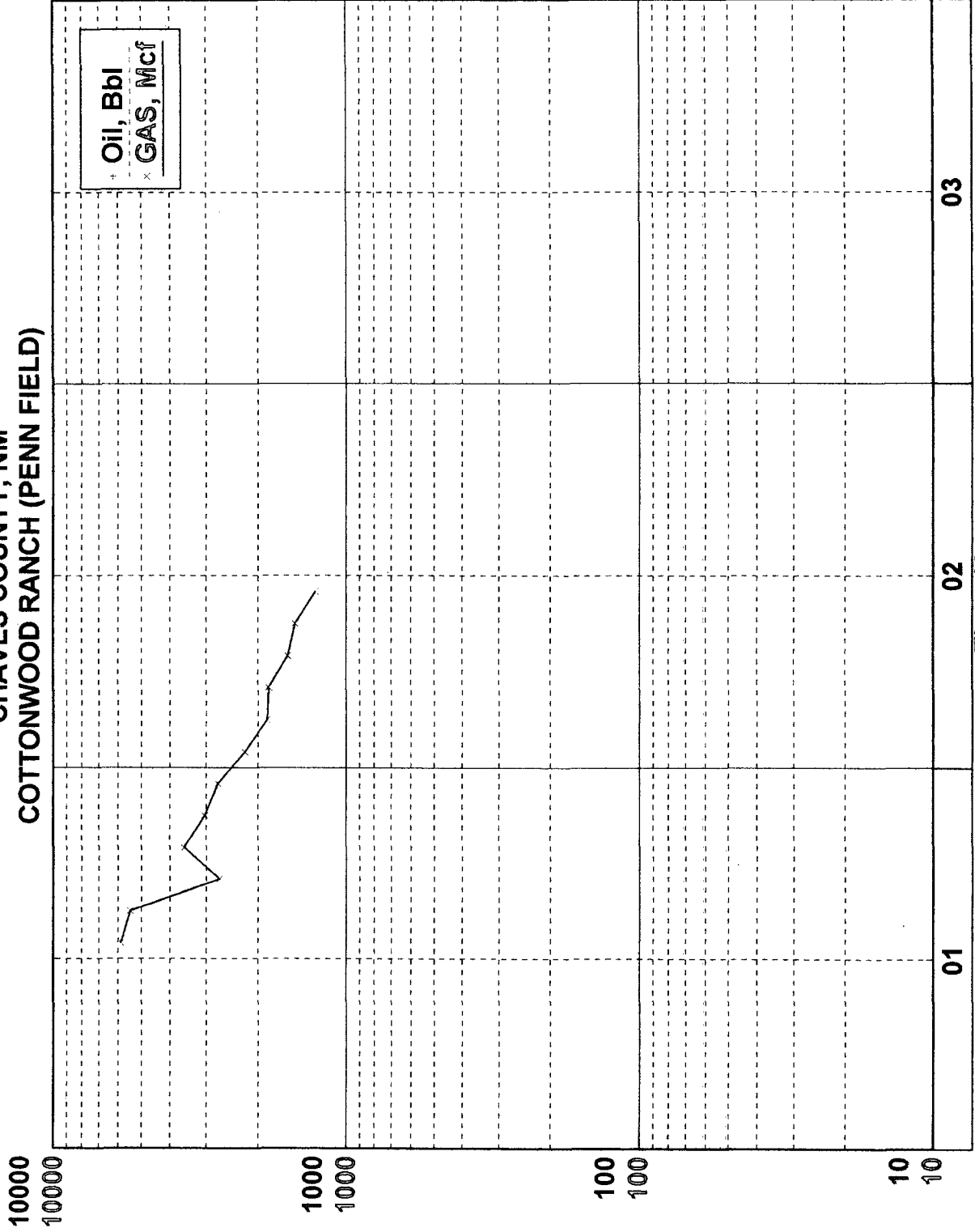
Segment
Type
Decline(%)
qi
Limit

???

IMOS

Forecast
Decline(%)
q
q actual
Cum(M) 04/1902
Remaining(M)
OGRE Cum(M)

05/01/1902
0.0
0
0.000
0.000
0.000



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Form C-101
Revised February 10, 199-
Instructions on back
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State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63330		Pool Code	Pool Name Pecos Slope (Abo)
Property Code	Property Name Johns "IL"		Well Number 4
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3704 3704

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
K	30	6S	26E		1980	South	1980	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.
---------------------------	--------------------	-----------------------	--------------

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <u>Cherry Matchus</u>	
				Printed Name <u>Cherry Matchus</u>	
				Title <u>Operations Technician</u>	
				Date <u>8/26/02</u>	
				18 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.	
1980'				REFER TO ORIGINAL PLAT	
				Date of Survey	
				Signature and Seal of Professional Surveyor:	
				Certificate Number	

The Pecos Slope Abo is a new zone and production curves are not available.

Working, Royalty and Overriding Royalty interest are the same in the zones to be commingled.

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation.

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1912 - 1985
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1936 - 1986



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DENNIS G. KINSEY
TREASURER

02 AUG 30 PM 1:15

August 28, 2002

David Catanach
State of New Mexico
OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

As Per our request on August 26, 2002 for administrative approval to downhole commingle the production from the Pecos Slope Abo and the Cottonwood Ranch (Penn) in our Johnson IL #4, located in Unit K, Section 30, Township 6 South, Range 26 East of Chaves County, the Binnion TT Federal, #7 Pecos Slope Abo and Coyote Draw (Permo Penn) Unit A of Section 24, Township 7 South, Range 25 East, Chaves County, and the Conejo "RH" State #5, Pecos Slope Abo and Five Mile Draw (Penn) located in Unit F, Section 2, Township 7 South, Range 25 East of Chaves County Enclosed was a sheet stating "There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation." Please find enclosed a correction stating that working, royalty and overriding royalty interest are the same in the zones to be commingled. This pertains to all the above stated wells. My most sincere apology for this oversight.

Should you have any questions, feel free to contact me at (505) 748-4164. Thank you.

Sincerely,

Cherry Matchus

Cherry Matchus
Engineering Technician

cm

Enclosure