

Yates Petroleum Corporation

105 South Fourth Street, Artesia, New Mexico 88210

PWVS 0704531348

DHC-3776-A

FAX

Date: 2/13/07

Number of Pages: 4

To: Will Jones

From: Debbie Chavez

Phone: (505)476-3440

Phone: (505) 748-4361

Fax: (505) 476-3462

Fax: (505) 748-4585

Will,

Please let me know if you need anything else from me to amend Administrative Order DHC-3776.

Thank you.

Debbie Chavez

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (805) 749-1471

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

February 13, 2007

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

Re: Allison CQ Federal #2

Dear Mr. Jones

Enclosed please find an amended copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Allison CQ Federal #2 of 16-19S-26E, Eddy County, New Mexico.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosures

District I

1625 N. French Drive, Hobbs, NM 88240

District II

301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Grande Blvd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87501

State of New Mexico
Energy, Minerals and Natural Resources Department**AMENDED** Form C-107A
Revised June 10, 2003**Oil Conservation Division**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505**APPLICATION TYPE**☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No**APPLICATION FOR DOWNHOLE COMMINGLING**

Yates Petroleum Corporation

105 South Forth Street, Artesia, NM 88210

DHC-3776-A

Operator

Address

Allison CQ Federal #2

Unit I - Section 12 - 19S-24E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. **025575** Property Code **010580** API No. **30-015-22935** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	UPPER Penasco Draw; Permo Penn G		
Pool Code	82775 ✓		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,591-7,842'		
Method of Production (Flowing or Artificial Lift)	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 (Degrees API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		
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: New Zone Rates:		Date: Rates:
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 Allocation % will be submitted when completed		

ADDITIONAL DATAAre 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 ☒ No ☐
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 Shannon Moss TITLE Operations Engineer DATE _____TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209E-MAIL ADDRESS shannonm@ypcnm.com

District I

1625 N. French Drive, Hobbs, NM 88240

District II

7001 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rin Brown Road, Alamo, NM 87410

District IV

1230 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department**AMENDED** Form C-107A
Revised June 10, 2003**Oil Conservation Division**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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EXISTING WELLBORE
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Well No.

Unit Letter-Section-Township-Range

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OGRID No. 025575 Property Code 010580 API No. 30-015-22935 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE ✓	INTERMEDIATE ZONE ✓	LOWER ZONE ✓
Pool Name	Wildcat Strawn Gas	Wildcat Atoka Gas	Boyd Morrow Gas
Pool Code	96041	96049	72840 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,300-8,304'	8,471-8,515'	8,732-8,877'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottomhole 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)			
Producing, Shut-In or New Zone	New Zone	New Zone	Shut-In
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: New Zone Rates:	Date: Rates:	Date: 5/31/06 Rates: 100 mcf
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 Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed

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SIGNATURE Shannon Moss TITLE Operations Engineer DATE _____TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209E-MAIL ADDRESS shannonm@yepcm.com