

DHC 5/21/98

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

April 28, 1998

MAY 1 1998

OIL CONSERVATION DIVISION

11991

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 Martin ARH #1 located in Unit J of Section 27, Township 17 South, Range 26 East, Eddy County.

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

Sincerely,

Ray Stall
Operations Engineer

RS/th

Enclosures

MARTIN YATES, III
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TREASURER

April 28, 1998

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 Martin ARH #1 located in Unit J of Section 27, Township 17 South, Range 26 East, Eddy County.

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

Sincerely,

Ray Stall
Operations Engineer

RS/th

Enclosures

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 Land Management has been notified in writing of this 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 all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, 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 Ray Stall TITLE Operations Engineer DATE 4-28-98

TYPE OR PRINT NAME Ray 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

1 API Number 30-015-29592		2 Pool Code 79525		3 Pool Name Kennedy Farms Upper Penn	
4 Property Code 20843		5 Property Name Martin ARH			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3328

10 Surface Location

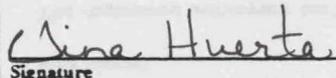
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	27	17S	26E		1980	South	1980	East	Eddy

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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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 4-29-98 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		

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:
C Communitization
U Unitization
F Forced pooling
O Other
P Consolidation pending

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15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You superimpose a non-standard section over this grid. On the dedicated acreage and the separate leases within dedicated acreage. Show the well surface location, bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.

18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of well or dedicated acreage.

Production curves are not available for all zones. The Kennedy Farms Upper Penn produced for only 2 months.

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 PO Box 1980, Hobbs, NM 88241-1980
 District II
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 1000 Rio Brazos Rd., Aztec, NM 87410
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 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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 Revised February 10, 1994
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OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-29592		2 Pool Code		3 Pool Name Atoka	
4 Property Code 20843		5 Property Name Martin ARH			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3328

10 Surface Location

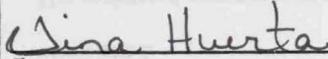
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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11 Bottom Hole Location If Different From Surface

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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New Mexico Oil Conservation Division
C-102 Instructions

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Production curves are not available for all zones. The Atoka never produced.

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4 Property Code 20843		5 Property Name Martin ARH			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3328

10 Surface Location

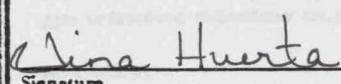
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Production curves are not available for all zones. The Kennedy Farms Morrow produced only a few months.

YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
MARTIN ARH #1
EDDY COUNTY, NEW MEXICO

Nortex, Inc.
P. O. Box 2267
Midland, TX 79702

Sun Oil Company
P. O. Box 2880
Dallas, TX 75221

Western Oil Producers, Inc.
P. O. Box 1498
Roswell, NM 88202-1498

Hanson Operating Company
400 N. Pennsylvania
Roswell, NM 88201

Enron Oil & Gas Company
P. O. Box 2267
Midland, TX 79702

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DENNIS G. KINSEY
TREASURER

April 28, 1998

Nortex, Inc.
P. O. Box 2267
Midland, TX 79702

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Martin ARH #1 located in Unit J of Section 27, Township 17 South, Range 26 East, Eddy County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Stall'.

Ray Stall
Operations Engineer

RS/th

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April 28, 1998

Hanson Operating Company
400 N. Pennsylvania
Roswell, NM 88201

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April 28, 1998

Sun Oil Company
P. O. Box 2880
Dallas, TX 75221

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April 28, 1998

Case 11991

Enron Oil and Gas Company
P. O. Box 2267
Midland, TX 79702

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April 28, 1998

Western Oil Producers, Inc.
P. O. Box 1498
Roswell, NM 88202-1498

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