

ABOVE THIS LINE FOR DIVISION USE ONLY

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



BCD

Skaggs BES State Com #1

30-025-36729

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 _____
- [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.

Sam Brandon _____ *Sam Brandon* _____ **Operations Engineer** **10/22/04**

Print or Type Name

Signature

Title

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 TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street
Operator Address

Skaggs BES State Com 1 G 15 10S 34E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code _____ API No. 30-025-36729 Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE <i>UNDES</i>	INTERMEDIATE ZONE	LOWER ZONE <i>W</i>
Pool Name	Lane Abo Southeast <i>OK</i>		Wildcat Atoka <i>GO</i>
Pool Code	<i>36676</i>		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9004-9055'		11865-11911'
Method of Production (Flowing or Artificial Lift)	Not Yet Completed		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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA		NA
Producing, Shut-In or New Zone	New Zone		SI
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:		Date: 10/19/04 Rates: 0 BOPD 0 BWPD 346 MCFD
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 To be determined on Completion	Oil Gas % %	Oil Gas To be determined on completion of Abo zone

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 Sam Brandon TITLE Operations Engineer DATE : October 22, 2004
TYPE OR PRINT NAME: Sam Brandon TELEPHONE NO. (505)-748-4281

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

October 22, 2004

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 Lane Abo Southeast and the Wildcat Atoka pools in our Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 South, Range 34 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

A handwritten signature in cursive script that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm

Enclosures

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TREASURER

October 22, 2004

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

Dear Mr. Williams;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Lane Abo Southeast and the Wildcat Atoka pools in our Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 South, Range 34 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

A handwritten signature in cursive script that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm

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TREASURER

October 22, 2004

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 Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 South, Range 34 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm
Enclosure

District I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.
Santa Fe, NM 87505

State Lease - 4 Copies
Fee Lease - 3 Copies

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36729		³ Pool Name Lane Abo Southeast	
⁴ Property Code	⁵ Property Name Skaggs BES State Com		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 4193'

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
G	15	10S	34E		1760	North	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

										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	
										Engineering Technician	
										Title	
										Date: <u>10/22/04</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.	
										Date of Survey	
										Signature and Seal of Professional Surveyor:	
										Certificate Number	

1760'



1980'

Production curves for the wells are not attached since the Atoka is a new completion. Allocation will be submitted on completion of Abo zone.

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Energy, Minerals & Natural Resources Department

Form C-102
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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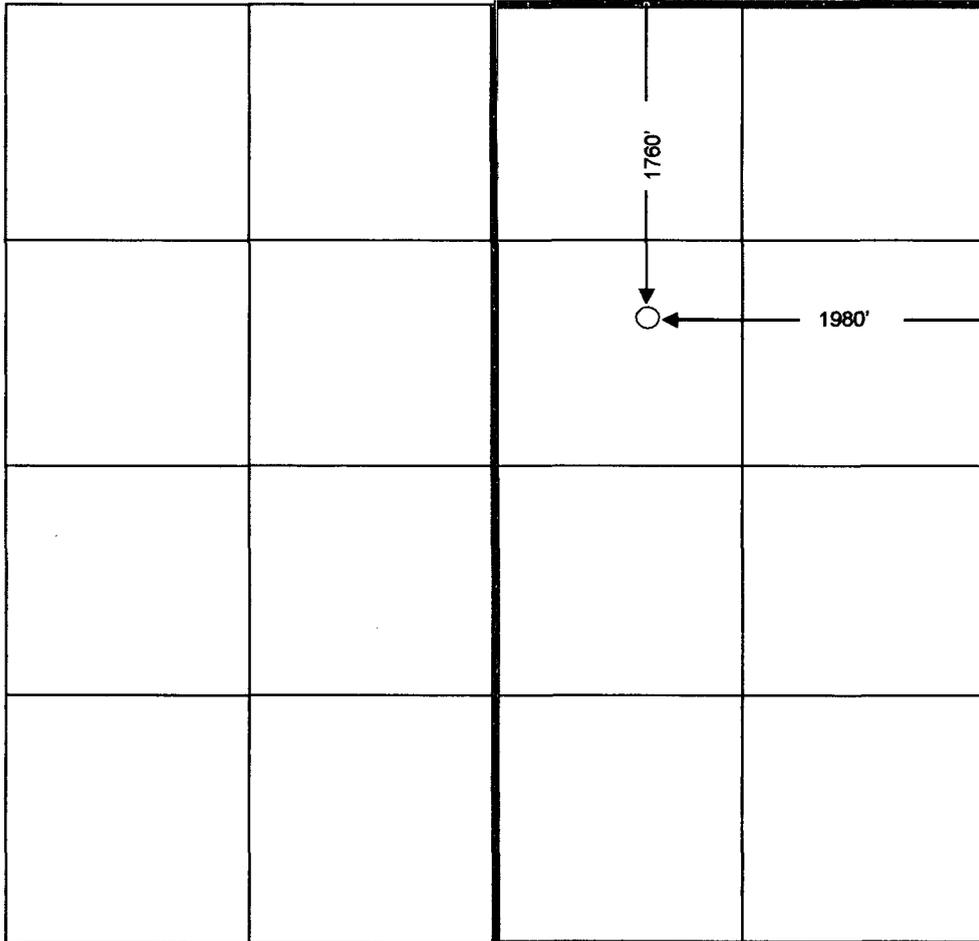
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¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Cherry Matchus

Cherry Matchus

Printed Name

Engineering Technician

Title

Date: 10/22/04

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

The Lane Abo Southeast completion is a new zone and production curves are not available.

Jones, William V

From: Sam Brandon [sbrandon@ypcnm.com]
Sent: Wednesday, November 03, 2004 10:46 AM
To: wvjones@state.nm.us
Subject: Skaggs ownership

Rob assured me that the ORRI and WI ownership in the two state leases is the same.

Sam Brandon
Yates Petroleum Corp.

(505) 748-4281

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