

|                 |          |                |                   |          |                        |
|-----------------|----------|----------------|-------------------|----------|------------------------|
| DATE IN 12-9-04 | SUSPENSE | ENGINEER Jones | LOGGED IN 12-9-04 | TYPE DHC | APP NO. PSEM0434428453 |
|-----------------|----------|----------------|-------------------|----------|------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



oos

Conoco AGK Federal #8

30-015-26951

### 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.

Cherry Matchus

Print or Type Name

Cherry Matchus

Signature

Engineering Technician

Title

12/6/04

Date

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 Artesia, New Mexico 88210  
Operator Address  
Conoco AGK Federal 8 H 26 20E 24E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 025575 Property Code API No. 30-015-26951 Lease Type ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT                                                                                                                                                                          | UPPER ZONE                        | INTERMEDIATE ZONE | LOWER ZONE                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-----------------------------------|
| Pool Name                                                                                                                                                                             | Wildcat Yeso c 12                 |                   | WildCat Bone Spring               |
| Pool Code                                                                                                                                                                             | 96904                             |                   | 96403                             |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)                                                                                                                   | 5581-5628                         |                   | 5758-5852'                        |
| Method of Production<br>(Flowing or Artificial Lift)                                                                                                                                  | Pumping                           |                   | Pumping                           |
| Bottomhole Pressure<br>(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<br>(Degree API or Gas BTU)                                                                                                                                     | NA                                |                   | NA                                |
| Producing, Shut-In or New Zone                                                                                                                                                        |                                   |                   |                                   |
| Date and Oil/Gas/Water Rates of Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: Will submit upon completion |                   | Date: Will submit upon completion |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil Gas<br>% %                    |                   | Oil Gas<br>% %                    |

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.

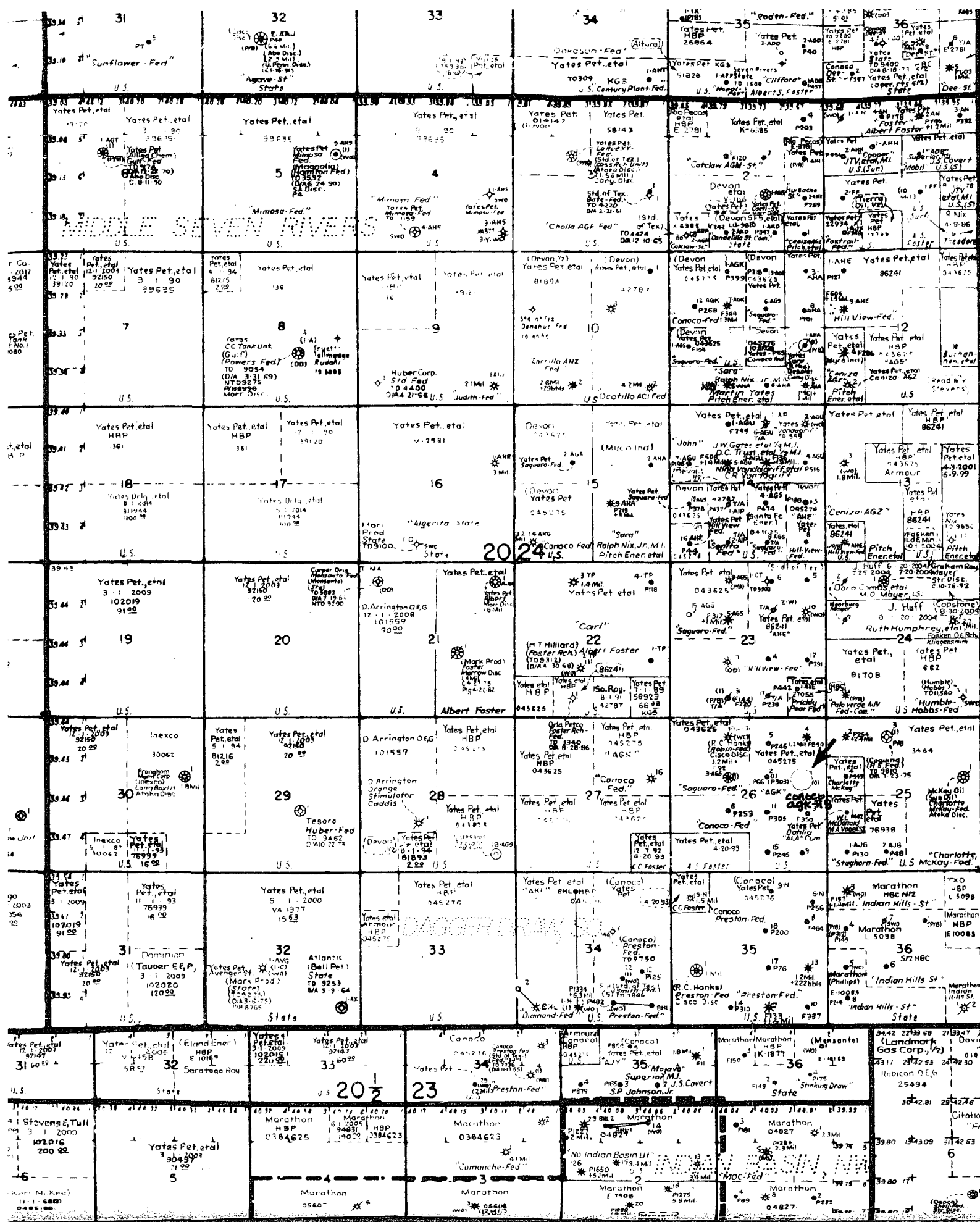
PRE-APPROVED POOLS

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 Mark Hoskins TITLE Asst. Operations Engineer DATE : December 6, 2004  
TYPE OR PRINT NAME: Mark Hoskins TELEPHONE NO. (505)-748-4164



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

December 6, 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 Wildcat Yeso and the Wildcat Bone Spring pools in our Conoco AGK Federal #8 located in Unit H of Section 20, Township 24 South, Range 26 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4164

Sincerely,

Mark Hoskins  
Asst. Operations Engineer

MH/cm

Enclosures

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

December 6, 2004

Armando Lopez  
Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, New Mexico 88201

Dear Mr. Lopez;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Yeso and the Wildcat Bone Spring pools in our Conoco AGK Federal #8 located in Unit H of Section 20, Township 24 South, Range 26 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4164.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark Hoskins'.

Mark Hoskins  
Asst. Operations Engineer

MH/cm

Enclosures

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

December 6, 2004

Tim Gum  
State of New Mexico  
OIL CONSERVATION DIVISION  
1301 W. Grand  
Artesia, New Mexico 88210

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Yeso and the Wildcat Bone Spring pools in our Conoco AGK Federal #8 located in Unit H of Section 20, Township 24 South, Range 26 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark Hoskins', written in dark ink.

Mark Hoskins  
Asst. Operations Engineer

MH/cm

Enclosures

## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

811 South First, Artesia, NM 88210

## District III

1000 Rio Brazos Rd., Aztec, NM 87410

## District IV

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

State of New Mexico  
Energy, Minerals & Natural Resources DepartmentForm C-102  
Revised August 15, 2000OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                                |                                                                  |                                                      |                                            |
|------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------|
| <sup>1</sup> API Number<br><b>30-015-26951</b> |                                                                  | <sup>3</sup> Pool Name<br><b>Wildcat Bone Spring</b> |                                            |
| <sup>4</sup> Property Code                     | <sup>5</sup> Property Name<br><b>Conoco AGK Federal</b>          |                                                      | <sup>6</sup> Well Number<br><b>8</b>       |
| <sup>7</sup> OGRID No.<br><b>025575</b>        | <sup>8</sup> Operator Name<br><b>Yates Petroleum Corporation</b> |                                                      | <sup>9</sup> Elevation<br><b>3642' GR'</b> |

<sup>10</sup> Surface Location

| UL or lot no. | Section   | Township   | Range      | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County        |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|---------------|
| <b>H</b>      | <b>26</b> | <b>20S</b> | <b>24E</b> |         | <b>1980</b>   | <b>North</b>     | <b>810</b>    | <b>East</b>    | <b>Chaves</b> |

<sup>11</sup> 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                                             |                               |                                  |                         |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>160</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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

|  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                               |
|--|--|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  |  | <sup>17</sup> OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br>Signature <u>Cherry Matchus</u><br>Cherry Matchus<br>Printed Name<br>Engineering Technician<br>Title<br>Date: <u>12/6/04</u>                                                   |
|  |  |  |  |  | <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br>Certificate Number |
|  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                               |
|  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                               |

The Wildcat Bone Spring is a new zone and production curves are not available.



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

**District II**  
811 South First, Artesia, NM 88210

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                                |                                                                  |                                               |                                            |
|------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|
| <sup>1</sup> API Number<br><b>30-015-26951</b> |                                                                  | <sup>3</sup> Pool Name<br><b>Wildcat Yeso</b> |                                            |
| <sup>4</sup> Property Code                     | <sup>5</sup> Property Name<br><b>Conoco AGK Federal</b>          |                                               | <sup>6</sup> Well Number<br><b>8</b>       |
| <sup>7</sup> OGRID No.<br><b>025575</b>        | <sup>8</sup> Operator Name<br><b>Yates Petroleum Corporation</b> |                                               | <sup>9</sup> Elevation<br><b>3642' GR'</b> |

<sup>10</sup> Surface Location

|                           |                      |                        |                     |         |                              |                                  |                             |                               |                         |
|---------------------------|----------------------|------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------|
| UL or lot no.<br><b>H</b> | Section<br><b>26</b> | Township<br><b>20S</b> | Range<br><b>24E</b> | Lot Idn | Feet from the<br><b>1980</b> | North/South line<br><b>North</b> | Feet from the<br><b>810</b> | East/West line<br><b>East</b> | County<br><b>Chaves</b> |
|---------------------------|----------------------|------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------|

<sup>11</sup> 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

|                                             |                               |                                  |                         |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>160</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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

|  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                               |
|--|--|--|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  |  |  | <sup>17</sup> OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br>Signature <u>Cherry Matchus</u><br>Cherry Matchus<br>Printed Name<br>Engineering Technician<br>Title<br>Date: <u>12/6/04</u>                                                   |
|  |  |  |  |  |  | <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br>Certificate Number |

The Wildcat Yeso is a new zone and production curves are not available