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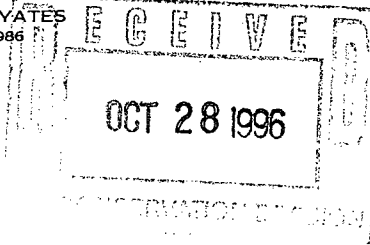
11/18/96

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

October 22, 1996

1404

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 Cleary "AKC" Federal #1 located in Unit J of Section 17, Township 22 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith

Morris Keith
Engineer

MK/th

Enclosures

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TREASURER

October 22, 1996

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

Dear Mr. Gum,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Cleary "AKC" Federal #1 located in Unit J of Section 17, Township 22 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

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TREASURER

October 22, 1996

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240

Gentlemen,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Cleary "AKC" Federal #1 located in Unit J of Section 17, Township 22 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith
Engineer

MK/th

Enclosures

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1893

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
Administrative Hearing

EXISTING WELLBORE
X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210

Operator	Address		
Cleary "AKC" Federal	1	J-17-22S-32E	Lea
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County

OGRID NO. 025575 Property Code 012133 API NO. 30-025-24823 Federal X State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	East Livingston Ridge Delaware 39366		Wildcat Bone Springs
2. Top and Bottom of Pay Section (Perforations)	6805'-8598'		9048'-9533'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1850 b. (Original) 2722	a. b.	a. 3600 b. 3620
6. Oil Gravity (API) or Gas BTU Content	±41		±41
7. Producing or Shut-In?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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: Rates:	Date: 1-26-92 Rates: 6 BOPD 18 BWPD 76 MCFGPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 8-31-96 Rates: 8 BOPD 227 BWPD 4 MCFGPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 50% Gas: 5%	Oil: % Gas: %	Oil: 50% Gas: 95%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes No

11. Will cross-flow occur? Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes No

13. Will the value of production be decreased by commingling? Yes X 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 of Land Management has been notified in writing of this application. X Yes No

15. NMOC 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 Morris Keith TITLE OPERATIONS ENGINEER DATE 10-24-96
TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-4182

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 30-025-24823		2 Pool Code		3 Pool Name Wildcat Bone Springs		
4 Property Code 012133		5 Property Name Cleary "AKC" Federal			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation	

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	17	22S	32E		1980	South	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 40	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature _____ Printed Name _____ Title _____ 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 _____				

Production curves for each zone are not available. Wildcat Bone Springs only produced 2 months.

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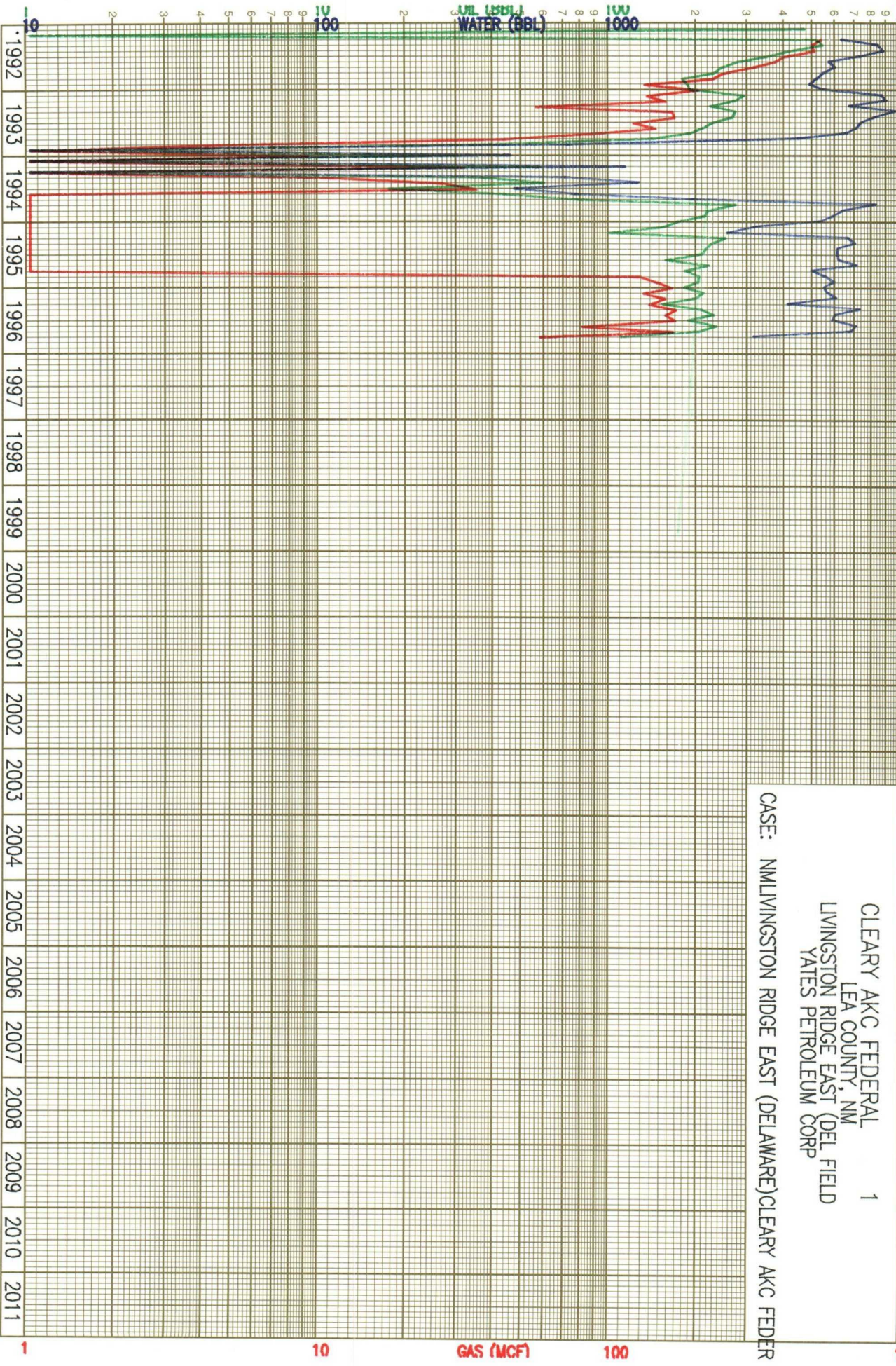
Date: 10/18/96
Time: 13:36:06

PRODUCTION HISTORY

File#: CLEARY
Get#: 2

CLEARY AKC FEDERAL 1
LEA COUNTY, NM
LIVINGSTON RIDGE EAST (DEL FIELD)
YATES PETROLEUM CORP

CASE: NMLIVINGSTON RIDGE EAST (DELAWARE) CLEARY AKC FEDER



CUMULATIVE OIL (BBL) =

10584

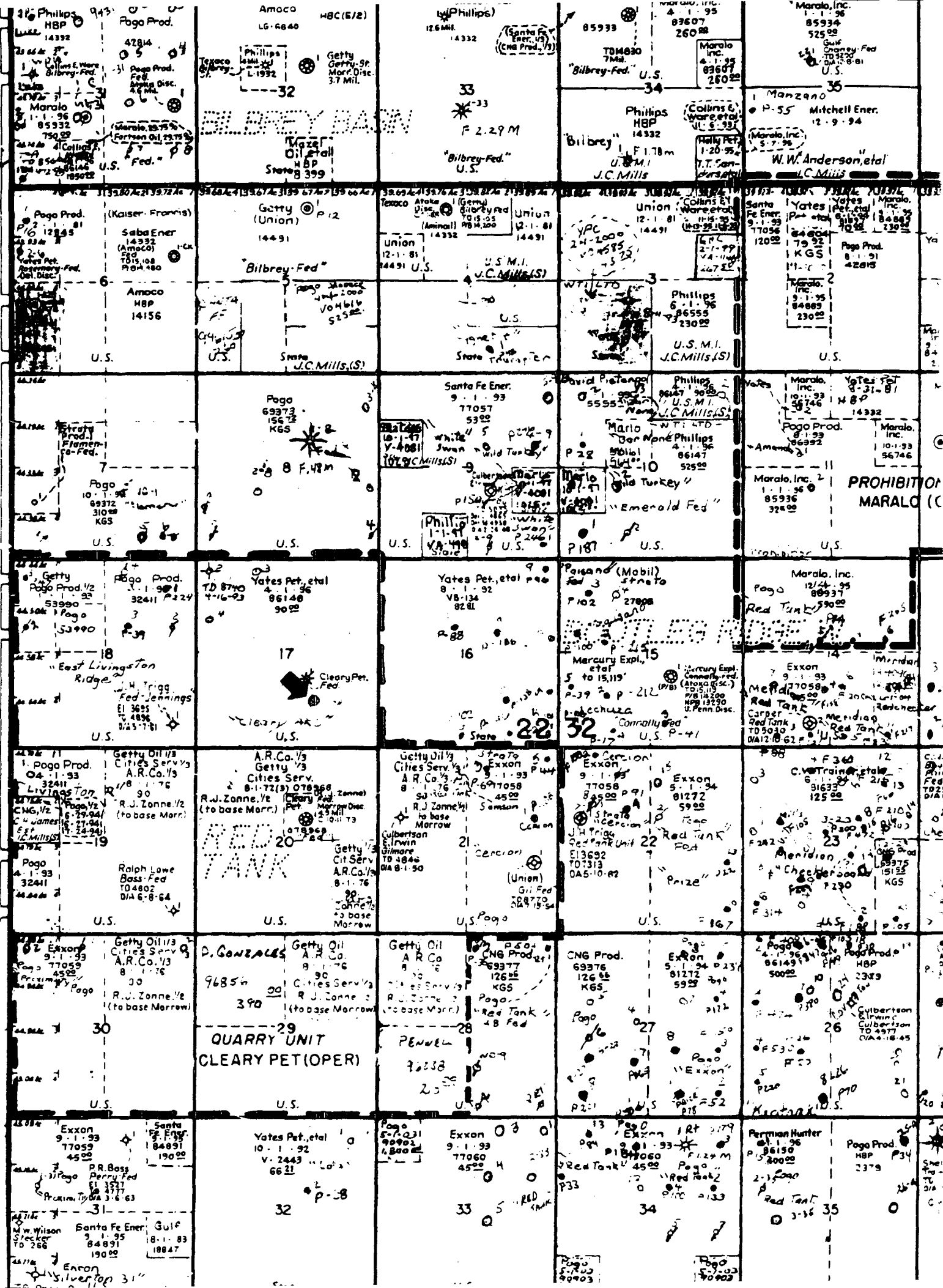
DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF) =

6074



YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
CLEARY "AKC" FEDERAL #1
LEA COUNTY, NEW MEXICO

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240