

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

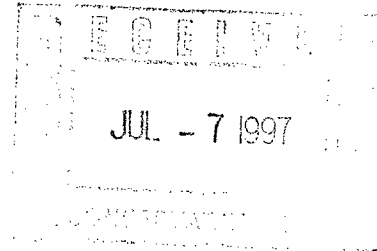


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

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

July 1, 1997

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 Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 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

*Trisk Draw Delaware*  
*Trisk Draw Bone Springs*

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July 1, 1997

Chris Williams  
State of New Mexico  
OIL CONSERVATION DIVISION  
P. O. Drawer 1980  
Hobbs, NM 88240

Dear Mr. Williams,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea County.

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TREASURER

July 1, 1997

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

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea 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) 748-1471.

Sincerely,

Morris Keith  
Operations Engineer

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TREASURER

July 1, 1997

Burlington Resources  
P. O. Box 51810  
Midland, TX 79710-1810

Ladies and Gentlemen,

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July 1, 1997

Perry & Perry, Inc.  
P. O. Box 371  
Midland, TX 79702-0371

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TREASURER

July 1, 1997

Estacado, Inc.  
P. O. Box 5587  
Hobbs, NM 88241-5587

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Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Morris Keith'.

Morris Keith  
Operations Engineer

MK/th

## 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 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-107-A  
New 3-12-96

## OIL CONSERVATION DIVISION

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

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

Operator

Address

Parsley ARA Federal

1

P 26-23S-32E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 025575Property Code 020478API NO. 30-025-33863

Spacing Unit Lease Types: (check 1 or more)

Federal ☒ 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	Wildcat Delaware 96060		Wildcat Bone Springs 96053
2. Top and Bottom of Pay Section (Perforations)	8521'-8550'		8971'-10075'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current) 2500	a.	a. (Current) 2600
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original)	b.	b. (Original)
6. Oil Gravity ( API) or Gas BTU Content	42.4		43.0
7. Producing or Shut-In?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		<del>No</del> 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: 5-23-97 Rates: 10 BOPD 40 BWPD 25 MCFGPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 6-26-97 Rates: 7 BOPD 66 BWPD 0 MCFGPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 40% Gas: 0%	Oil: 0% Gas: 0%	Oil: 60% Gas: 100%

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? ☒ 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? ☒ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ 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 Land Management has been notified in writing of this application.   X   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 Morris Keith TITLE Operations Engineer DATE 7-1-97

TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-1471

\_\_\_\_\_



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

API Number 30-025-33863		Pool Code 96053	Pool Name Wildcat Bone Springs
Property Code 020478	Property Name Parsley ARA Federal		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3690'

<sup>10</sup> Surface Location

UL or lot no. P	Section 26	Township 23S	Range 32E	Lot Idn	Feet from the 760	North/South line South	Feet from the 990	East/West line East	County Lea
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<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
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Tina Huerta</i> Signature Tina Huerta Printed Name Operations Technician Title 6-27-97 Date</p> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>REFER TO ORIGINAL PLAT</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

Production curves for each zone are not available. The Wildcat Bone Springs has no production.

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Property Code 020478	Property Name Parsley ARA Federal		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3690'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	26	23S	32E		760	South	990	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

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**YATES PETROLEUM CORPORATION**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**PARSLEY ARA FEDERAL #1**  
**LEA COUNTY, NEW MEXICO**

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

Burlington Resources  
P. O. Box 51810  
Midland, TX 79710-1810

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