

DHC

11/24/97

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

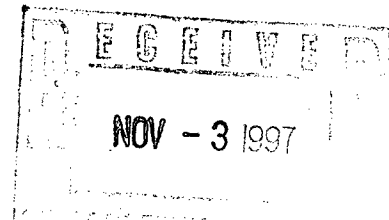


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

1748

October 30, 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 April APZ State #1 located in Unit A of Section 12, Township 23 South, Range 32 East, Lea County.

We realize the water production from the Delaware zone exceeds the limits of rule 303 c(a)(i). This well is marginally economic with its present production. Oil decline and water disposal costs will have this well shut in or plugged in just a few months.

We are asking to commingle the production in this marginal well to maximize ultimate recovery. We are also asking to do so administratively, so as to avoid spending your time in an expensive hearing.

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

Sincerely,

Morris Keith
Engineer

MK/th

Enclosures

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October 30, 1997

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

Dear Mr. Williams,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the April APZ State #1 located in Unit A of Section 12, Township 23 South, Range 32 East, Lea County.

We realize the water production from the Delaware zone exceeds the limits of rule 303 c(a)(i). This well is marginally economic with its present production. Oil decline and water disposal costs will have this well shut in or plugged in just a few months.

We are asking to commingle the production in this marginal well to maximize ultimate recovery. We are also asking to do so administratively, so as to avoid spending your time in an expensive hearing.

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

Sincerely,

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

Morris Keith
Engineer

MK/th

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TREASURER

October 28, 1997

Pete Martinez
State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
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 April APZ State #1.

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

Sincerely,

Morris Keith
Engineer

MK/th

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TREASURER

October 30, 1997

Burlington Resources
Box 51810
3300 N. "A" Street, Bldg. 6
Midland, TX 79705-4500

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the April APZ State #1 located in Unit A of Section 12, 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,

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

Morris Keith
Operations Engineer

MK/th

MARTIN YATES, III
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TREASURER

October 30, 1997

Conoco, Inc.
10 Desta Drive
Suite 100W
Midland, TX 79705-4500

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the April APZ State #1 located in Unit A of Section 12, 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

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 87410-1683

State of New Mexico
Energy, Minerals and Natural Resources Department

Form 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

April APZ State

1

A-12-23S-32E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 025575Property Code 018759API NO. 30-025-33354

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 <i>East Diamond</i>		Diamondtail Bone Springs 17644
2. Top and Bottom of Pay Section (Perforations)	7125'-7824'		9018'-9046'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial		Artificial
5. Bottomhole Pressure	a. (Current) 1700	a.	a. (Current) 1750
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 2250	b.	b. (Original) 2700
6. Oil Gravity (API) or Gas BTU Content	42		42.5
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: 10-10-96 Rates: 11 BOPD 14 BWPD 49 MCFGPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 10-06-97 Rates: 14 BOPD 277 BWPD 10 MCFGPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 55% Gas: 15%	Oil: % Gas: %	Oil: 45% Gas: 85%

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 ☐ No11. Will cross-flow occur? ☐ Yes ☒ No
and will the allocation formula be reliable.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? ☒ 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 Morris Keith TITLE Operations Engineer DATE 10-30-97
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 30-025-33354	Pool Code 96060	Pool Name Wildcat Delaware
Property Code 018759	Property Name April APZ State	Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 3729'

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
A	12	23S	32E		330	North	330	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.
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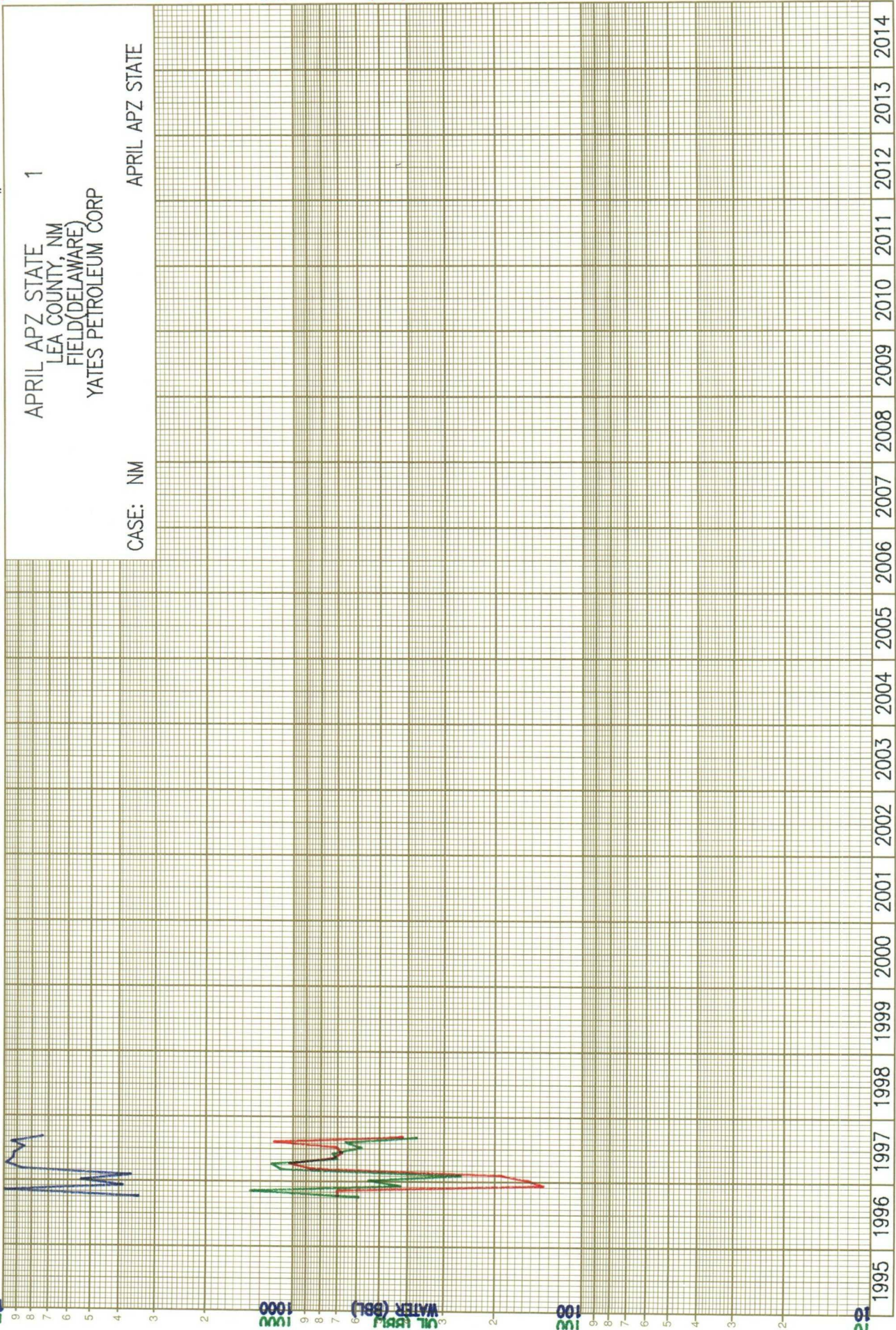
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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
				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

Date: 10/28/97
Time: 11:06:39

PRODUCTION HISTORY

File: APRIL
Get#: 3



CUMULATIVE OIL (BBL)=

8137.

DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF)=

7128.

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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
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33354		Pool Code 17644	Pool Name Diamondtail Bone Springs
Property Code 018759	Property Name April APZ State		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3729'


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
A	12	23S	32E		330	North	330	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.			

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					Signature Tina Huerta
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					Date
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					REFER TO ORIGINAL PLAT Date of Survey
					Signature and Seal of Professional Surveyor:
					Certificate Number

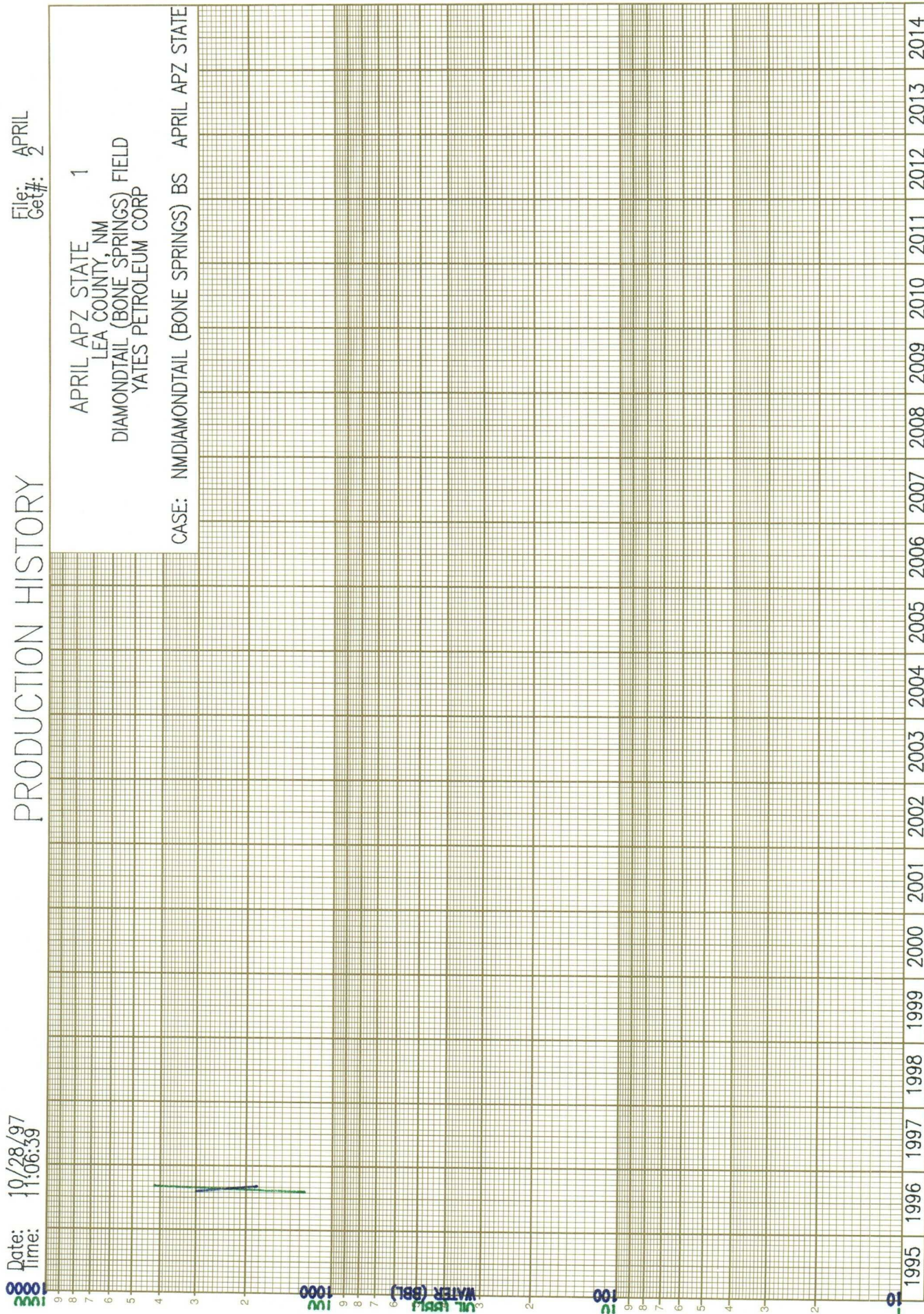
Date: 19/28/97
Time: 11:06:39

PRODUCTION HISTORY

File: APRIL
Get#: 2

APRIL APZ STATE 1
LEA COUNTY, NM
DIAMONDTAIL (BONE SPRINGS) FIELD
YATES PETROLEUM CORP

CASE: NMDIAMONDTAIL (BONE SPRINGS) BS APRIL APZ STATE



CUMULATIVE OIL (BBL)= 522. CUMULATIVE GAS (MCF)=



YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
APRIL APZ STATE #1
LEA COUNTY, NEW MEXICO

Conoco, Inc.
10 Desta Driver
Suite 100W
Midland, TX 79705-4500

Burlington Resources
Box 51810
3300 N. "A" Street, Bldg. 6
Midland, TX 79710-1810