

AMEND DHC 7/10/00

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

June 16, 2000



David Catanach
State of New Mexico
OIL CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505-5472

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Atoka, Turkey Track Morrow, North and Loco Hills Chester pools in our Loco ASI Federal Com #1 located in Unit L of Section 10, Township 18 South, Range 29 East, Eddy County.

Approval to downhole commingle production from the Loco Hills Chester and Turkey Track Morrow, North pools in this well was granted by NMOCD Administrative Order DHC-2208 on February 25, 1999. We now wish to add Atoka production.

Enclosed is NMOCD Form C-107 with attachments.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

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June 16, 2000

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

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Atoka, Turkey Track Morrow, North and Loco Hills Chester pools in our Loco ASI Federal Com #1 located in Unit L of Section 10, Township 18 South, Range 29 East, Eddy County.

Approval to downhole commingle production from the Loco Hills Chester and Turkey Track Morrow, North pools in this well was granted by NMOCD Administrative Order DHC-2208 on February 25, 1999. We now wish to add Atoka production.

Enclosed is NMOCD Form C-107 with attachments.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads 'Albert R. Stall'.

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
811 South First Street, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street
Operator Address

Loco ASI Federal Com 1 L 10 18S 29E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 23180 API No. 30-015-30094 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Turkey Track</i> Undesignated Atoka	Turkey Track Morrow, North	Loco Hills Chester
Pool Code		86500	96845
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,606'-10,610'	10,956'-11,006'	11,397'-11,409'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	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)	3865 psi (estimated)	4000 psi (estimated from YPC Arenas ARI #1 in Sec. 15-18S-29E)	4200 (estimated)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1150 BTU (estimated)	1150 BTU	1200 BTU
Producing, Shut-In or New Zone	Not Completed (See attachment #1)	Producing	Producing
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: Not Completed	Date: 05/31/00 Rates: 21 mcf/d	Date: 05/31/00 Rates: 391 mcf/d, 10 bopd, 0.1 bwpd
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 % % See Attachment #2	Oil Gas % % See Attachment #2	Oil Gas % % See Attachment #2

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: _____ (see attachment #3)

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 Albert R. Stall TITLE Operations Engineer DATE 6/12/00

TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174

ATTACHMENTS

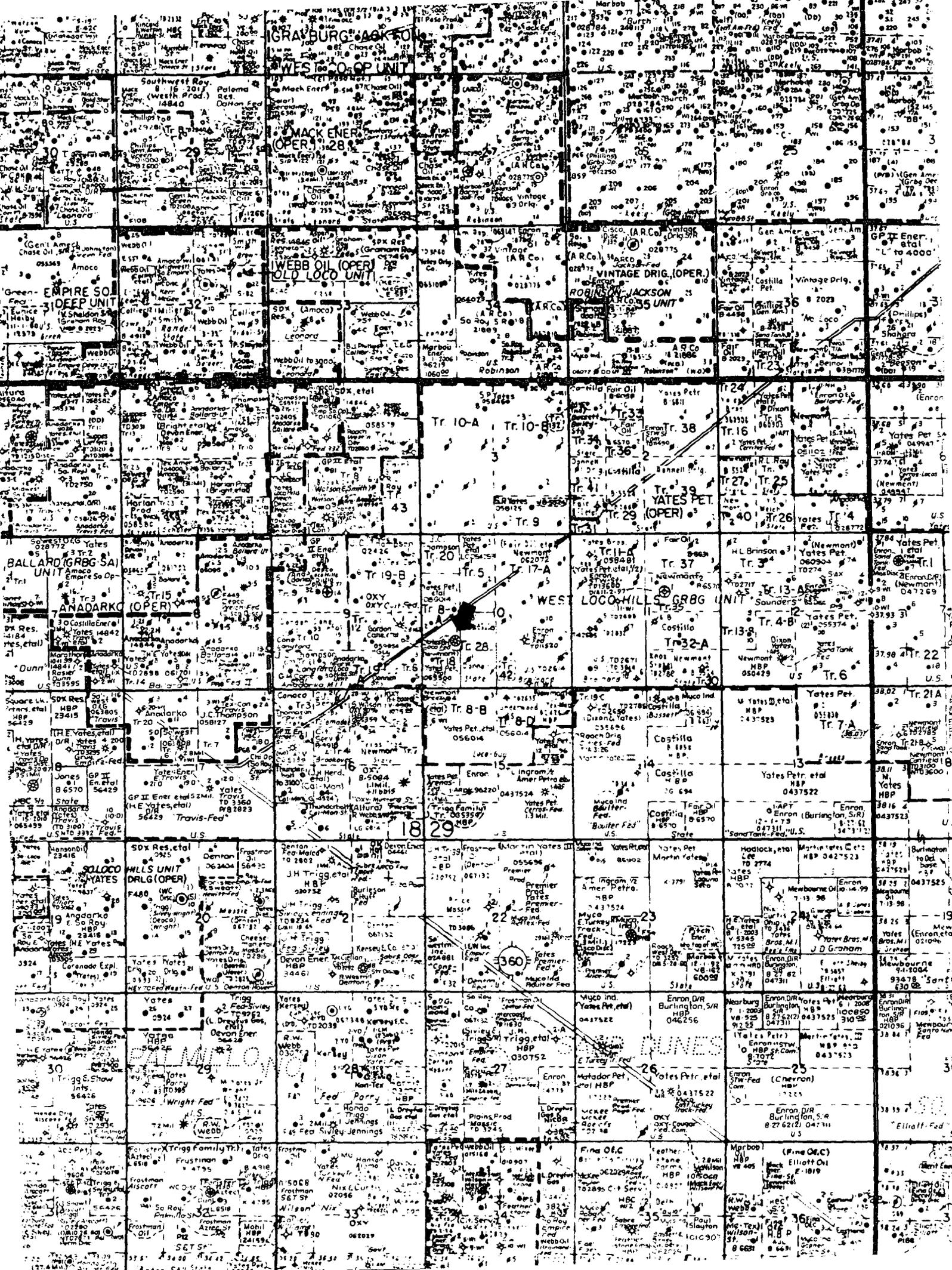
Loco ASI Federal Com #1 Unit L Sec. 10-18S-29E

1. The Atoka is expected to produce approximately 750 mcf/d of dry gas. This estimate is based on well log evaluation. Copies of the logs in this interval are attached.
2. A fixed percentage allocation formula based on production rates will be submitted for approval after testing the upper zone (Atoka pool) before commingling. Please note that production from the Chester (Loco Hills Chester) and the Morrow (North Turkey Track Morrow) were approved for downhole commingling by NMOCD Administrative Order DHC-2208. The following formula was approved for allocation of production from Chester and Morrow.

<u>Zone</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Chester	100%	95%	100%
Morrow	0%	5%	0%

The new formula will maintain the same Chester/Morrow allocation ratio for production not allocated to the Atoka.

3. Downhole commingling of production from the Chester and Morrow intervals in this well was approved by NMOCD Administrative Order DHC-2208 on February 25, 1999.



GRAVBERG
WES. CO. OP UNIT

MACK ENER.
(OPER.) 28

WEBB OIL (OPER.)
OLD LOCO UNIT

EMPIRE SO.
COOP UNIT

BALLARD (GRBG-SA)
UNIT

ANADARKO

SOLOCO
YATES

HILLS UNIT
DRUG (OPER)

MILCO

WRIGHT FED

FINE OIL

MARBOL

Tr. 10-A

Tr. 17-A

Tr. 8-B

Tr. 21

Tr. 27

Tr. 33

LOCOS HILLS

GRBG UNIT

Tr. 23

Tr. 25

Tr. 35

YATES PET. (OPER)

Tr. 32-A

Tr. 7-A

Tr. 19

Tr. 25

Tr. 36

Yates Pet. 3

Yates Pet. 4

Yates Pet. 5

Yates Pet. 6

Yates Pet. 7

Yates Pet. 8

Yates Pet. 9

District I
 PO Box 1988, Hobbs, NM 88241-1988
 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 APT. Number 30-015-30094		2 Pool Code		3 Pool Name Undesignated Atoka	
4 Property Code 23180		5 Property Name Loco ASI Federal Com			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3486'

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
L	10	18S	29E		1650	South	1200	West	Eddy

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.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
	<p><i>Tina Huerta</i> Signature Tina Huerta Printed Name Operations Technician Title 6-16-00 Date</p>			
16	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.			
	<p>REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>			

There is no production for Undesignated Atoka and there will be no production curve for this zone.

District I
 PO Box 1980, Hobbs, NM 88241-1980
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30094		Pool Code 86500	Pool Name Turkey Track Morrow, North
Property Code 23180	Property Name Loco ASI Federal Com		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3486'

¹⁰ Surface Location

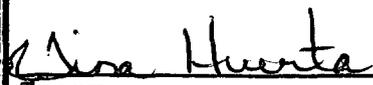
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	18S	29E		1650	South	1200	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

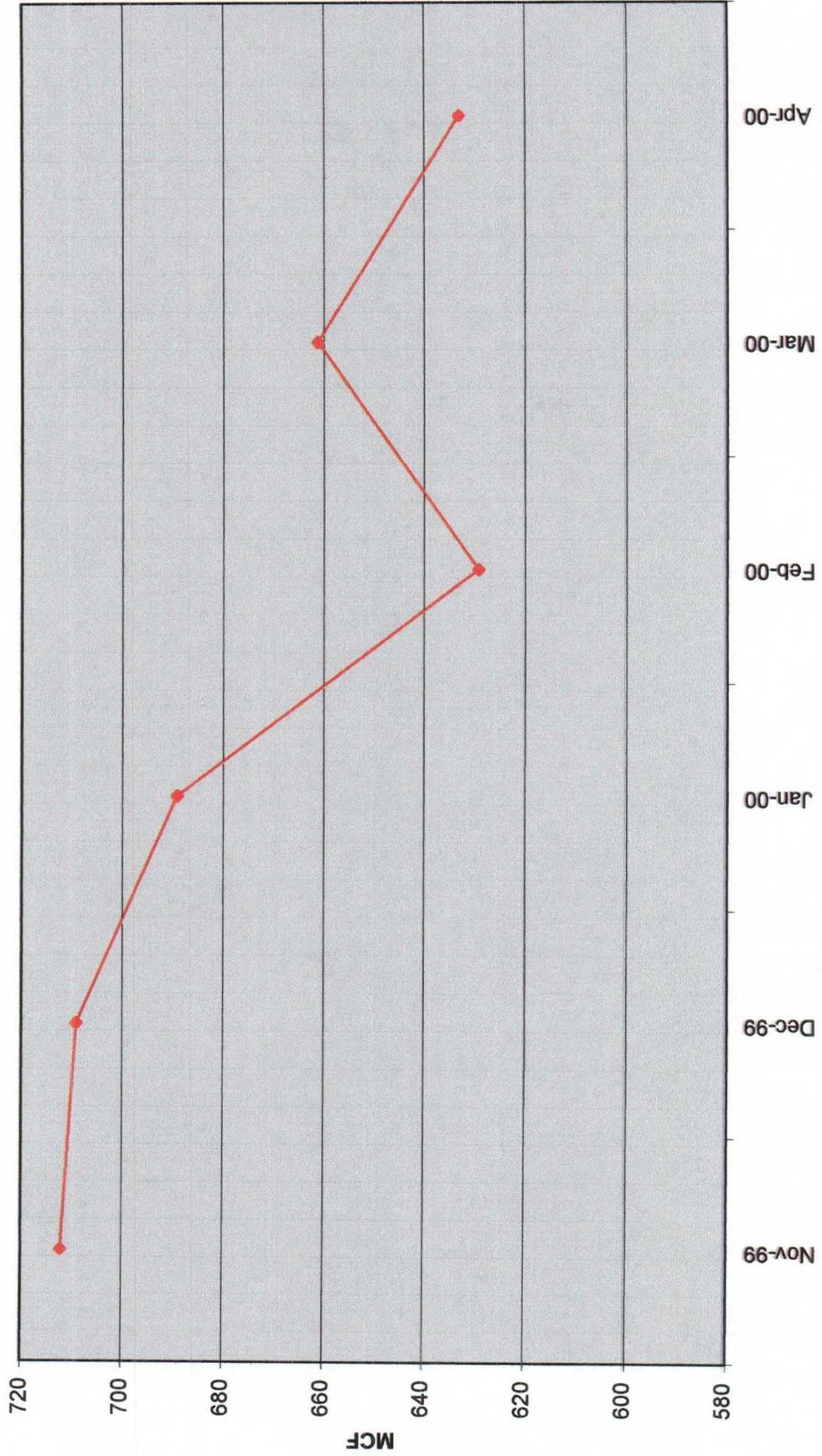
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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					 Signature Tina Huerta Printed Name Operations Technician Title
					Date 6-16-00
					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 Surveyer:	
				Certificate Number	

Loco ASI Federal Com #1
Turkey Track Morrow, North Monthly Production
Unit L Sec 10-T18S-R29E



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 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
 Energy, Minerals & Natural Resources Department

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OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APL Number 30-015-30094		Pool Code 96845	Pool Name Loco Hills Chester
Property Code 23180	Property Name Loco ASI Federal Com		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3486'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	10	18S	29E		1650	South	1200	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

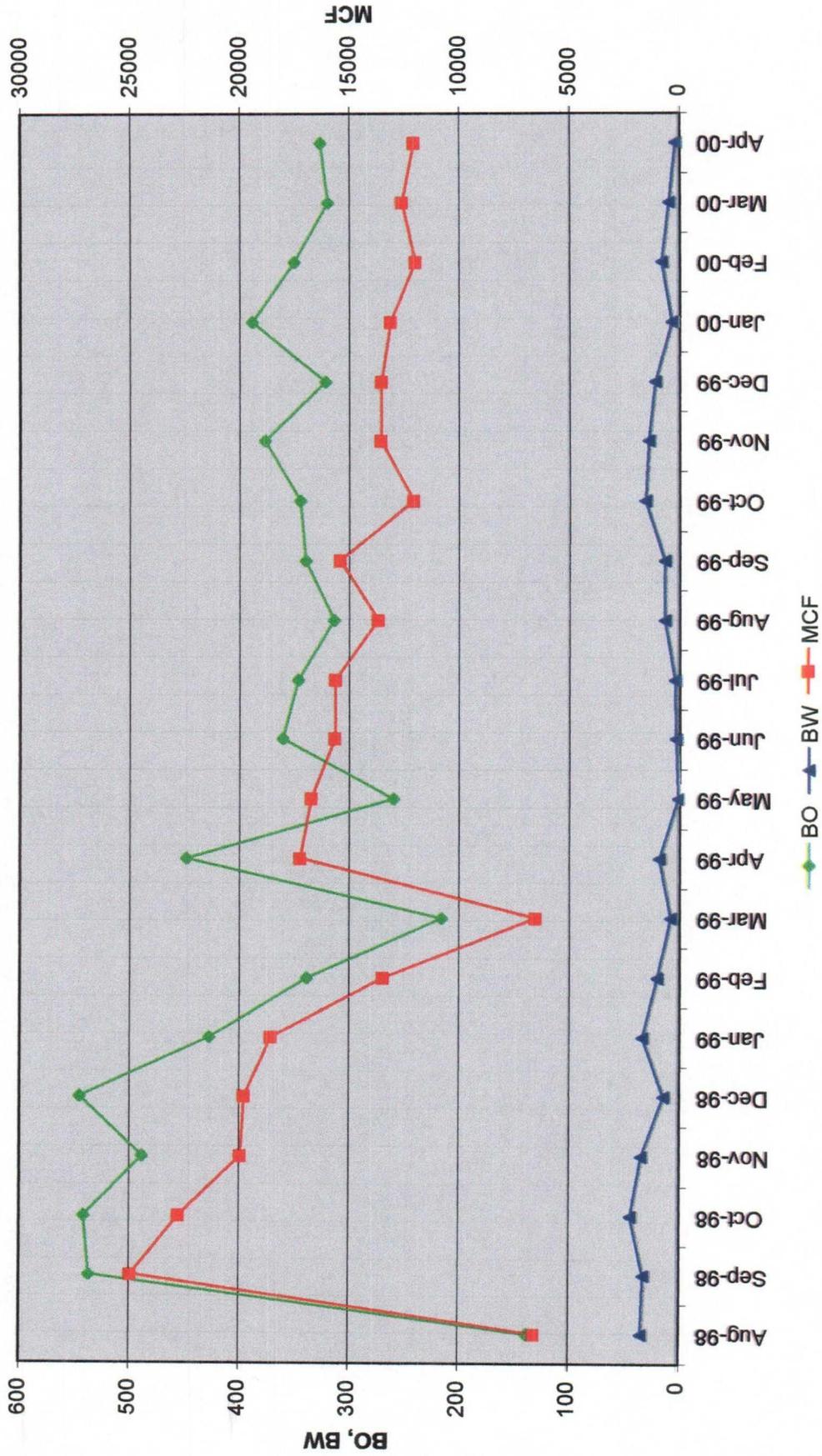
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				REFER TO ORIGINAL PLAT
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

Loco ASI Federal Com #1
Loco Hills Chester Monthly Production
 Unit L Sec 10-T18S-R29E



YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
LOCO ASI FEDERAL COM #1
EDDY COUNTY, NEW MEXICO

Richard Kevin Barr
5716 Hillcrest Pl.
Midland, TX 79707-5011

John E. and Betty Watson Bloom
8887 S. Lewis Ave
Apt. #408
Tulsa, OK 74137-3221

Roger C. Boesche
1881 Campus Road
Los Angeles, CA 90041

Amanda Reynolds Boesche
1881 Campus Road
Los Angeles, CA 90041

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Conoco, Inc.
P. O. Box 201940
Houston, TX 77216-1940

Ben A. Copass, Jr.
P. O. Box 606
Cisco, TX 76437

Costilla Energy, Inc.
Lock Box 841041
Dallas, TX 75284-1041

Sue C. Doak
7101 Chase Oaks Blvd.
Apt. #312
Plano, TX 75025-5909

Barbara Kruse Frankenfield
12 Laura Elizabeth Ct.
Mansfield, TX 76063

Manix Royalty, Ltd.
P. O. Box 2818
Midland, TX 79702

Jay E. Floyd
P. O. Box 2577
Midland, TX 79702

Mary Jo Guy
101 West Main Street
Artesia, NM 88210

Clyde Lamar Guy Estate
101 West Main Street
Artesia, NM 88210

I & L Development Co.
3500 Oak Lawn
Suite 720
Dallas, TX 75219

Sally Copass-Jackson
6555 Blanche
Dallas, TX 75214

Sam Lett Testamentary Trust
3500 Oak Lawn
Suite 720
Dallas, TX 75219

Thomas W. Lett
3500 Oak Lawn
Suite 720
Dallas, TX 75219

The Lowrey Revocable Trust
7501 E. Thompson Peak Pkwy #26
Scottsdale, AZ 85255

Steven Goodrich Lowery
717 S. Shawnee
Bartlesville, OK 74003

William McNeil Lowrey
10845 Spruce Drive South
La Porte, TX 77571

Louellen B. McMillian
P. O. Box 452094
Garland, TX 75045-2094

Joel R. Miller
P. O. Box 3003
Midland, TX 79702

Minerals Management Service
P. O. Drawer 1857
Roswell, NM 88201

Gretchen Nearburg
1608 Lakeway Blvd.
Austin, TX 78734

Pitch Energy Corporation
P. O. Box 304
Artesia, NM 88211-0304

Ralston Living Trust
10344 W. US 54
Pratt, KS 67124

Betsy Boesche Rhines
69 Bald Hill Road
Wilton, CT 06897

Paul Slayton
P. O. Box 2035
Roswell, NM 88202-2035

Sandra Leigh Terry
P. O. Box 12617
El Paso, TX 79913

Susan Lynn Terry
6112 N. Mest St.
PMB 216
El Paso, TX 79912

Cleo J. and James Thompson
325 North St. Paul
Suite 4300
Dallas, TX 75201-3093

Scott E. Wilson
4512 Bent Tree Trail
Midland, TX 79707-1449

Cynthia C. Woolley
9215 Meadowglen Drive
Dallas, TX 75238

Howard B. Wright
Trust Natural Resources
P. O. Box 5825
Denver, CO 80217

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June 16, 2000

To: Working Interest Owner
Royalty Interest Owner
Overriding Royalty Interest Owner

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Loco ASI Federal Com #1 located in Unit L of Section 10, Township 18 South, Range 29 East, Eddy County. Please find a copy of application enclosed. This will serve as notification to any interest owner.

Should you have any questions, or need additional information, please call me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Albert R. Stall'.

Albert R. Stall
Operations Engineer

ARS/th

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TREASURER

NOV 18 1999



October 12, 1999

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

RE: ADMINISTRATIVE ORDER DHC-2208
Loco ASI Federal Com No. 1
API No. 30-015-30094
Unit L, Sec. 10-T18S-R29E., NMPM
Eddy County, New Mexico
North Turkey Track-Morrow (Gas - 86500) and
Loco Hills-Chester (Gas - 96845) Pools

*DHC
FILE
DHC 2208*

Dear Mr. Gum,

The referenced order was approved by the Director of the New Mexico Oil Conservation Division on February 5, 1999, subject to obtaining your approval for an allocation schedule upon completion in the Morrow formation.

The Morrow interval 10,956'-11,005' was completed on October 9, 1999, flowing dry gas at a rate of 28 mcf/d. The Chester interval 11,397'-11,409' averaged 11 bo, 523 mcf/d, and 0.4 bwpd for 30 days in September 1999.

Accordingly, based on production ratios, the following allocation formula is submitted for your approval:

<u>Zone</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Chester	100%	95%	100%
Morrow	0%	5%	0%

If this formula meets with your approval, a copy will be submitted to the Santa Fe office of the Division.

Sincerely,

Ray Stall
Ray Stall
Operations Engineer

*Verbal approval
given by Mr. Tim Gum
on 11-16-99*