

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**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.

Print or Type Name	Signature	Title	Date
e-mail Address			



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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

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TREASURER

May 24, 2006

Will Jones  
State of New Mexico  
OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Re: Datil BFD State Com #1

Dear Mr. Jones,

Please find enclosed Amended C-107A for the Datil BFD State Com #1, Unit C Section 2-9S-26E, Chaves County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

A handwritten signature in cursive script that reads 'Debbie Chavez'.

Debbie Chavez  
Engineering Technician

Enclosures

2006 MAY 26 AM 11 07

**Jones, William V., EMNRD**

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**From:** Mark Hoskins [markh@YPCNM.COM]  
**Sent:** Friday, June 23, 2006 1:22 PM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: Datil

William,  
 The BTU for each gas stream that I am presenting is from off set wells we did not get them from the Datil when we were testing it separately.  
 The Cisco BTU is 1043.376 this test is from the Desert Rose ALS St. # 3 on 5/23/06.  
 The Wolfcamp BTU is 1179.228 this test is from the Zane ABS # 3 on 5/23/06.  
 The Abo BTU test is 1049.767 this test is from the Dandelion AFW Fed Com # 1 on 5/16/06.  
 As you can see, if there is any oil produced from this well it will be from the Wolfcamp, and the Production rate is so small that we shouldn't see any condensate from this formation. While doing production tests on this well we did not see any condensate.  
 If there is any other information that you need please just let me know.

Thank you,  
 Mark Hoskins  
 Yates Petroleum Corporation  
 markh@ypcnm.com  
 (505) 748-4237

-----Original Message-----

**From:** Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
**Sent:** Wednesday, June 14, 2006 2:43 PM  
**To:** Mark Hoskins  
**Subject:** RE: Datil

Hello Mark:  
 Thanks for the info...

Sounds like all three zones are "Gas" including the Wolfcamp?  
 So the percentages are only for Gas and no condensate for this well?  
 Would you send the BTU of each gas stream or the API if any of these zones is considered to be "Oil".

Thank You,

William V. Jones                      Engineering Bureau                      Oil Conservation Division                      Santa Fe

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**Jones, William V., EMNRD**

**From:** Mark Hoskins [markh@YPCNM.COM]  
**Sent:** Tuesday, June 13, 2006 3:40 PM  
**To:** Jones, William V., EMNRD  
**Cc:** Chuck Moran; Debbie Chavez; Tina Huerta  
**Subject:** FW: Datil

Hello William: I believe the information you have requested is below. Debbie Chaves has received confirmations back from all the parties listed.

From well test data the Strawn is 12.7%, the Wolfcamp is 4%, and the Abo is 82.3% of the total production. If you need any additional information, you can reach me at the phone number or e-mail address below.

Thank you,  
Mark Hoskins  
Yates Petroleum Corporation  
markh@ypcnm.com  
(505) 748-4237

*assume  
all  
Gas  
only  
road  
zone*

*DHC-3669-A*

-----Original Message-----

**From:** Chuck Moran  
**Sent:** Tuesday, June 13, 2006 2:27 PM  
**To:** Mark Hoskins  
**Cc:** Debbie Chavez  
**Subject:** Datil

Mark: I have copied Will Jones email below. The answer to Will Jones last request in his email is this:

The ownership of the leases in question are as follows:

V-5585 in Lots 3, 4, S/2NW/4 (NW/4) of Sec. 2-T9S-R26E  
State of New Mexico - RI  
Gary D. McKinney - ORRI  
Jack L. Waldrep, Jr. - ORRI  
Les R. Honeyman - ORRI  
Clyde C. Wheeler - ORRI  
Yates Petroleum Corporation - WI  
Yates Drilling Company - WI  
Myco Industries, Inc. - WI  
Abo Petroleum Corporation - WI

V-5586 in SW/4 of Sec. 2-T9S-R26E.  
State of New Mexico - RI  
Gary D. McKinney - ORRI  
Jack L. Waldrep, Jr. - ORRI  
Les R. Honeyman - ORRI  
Clyde C. Wheeler - ORRI  
Yates Petroleum Corporation - WI  
Yates Drilling Company - WI  
Myco Industries, Inc. - WI  
Abo Petroleum Corporation - WI

Abo formation will only be paid to owners of lease V-5586.

Please verify to Will Jones that you notified all the above parties.

Thanks,

**Chuck Moran**  
 Yates Petroleum Corporation  
 105 South 4th Street  
 Artesia, NM 88210  
 505-748-4349

Hello Mark and Debbie Chavez:

The Division received your application to amend the permit DHC-3669 and add the Wolfcamp interval. It is our understanding that this is now a diversely owned downhole commingle application.

**You did not fill out all rows in the C107A form or attach any supporting documentation.**

At least the following is required for the Division to proceed with evaluating this application:

- 1) Is the Wolfcamp a gas or an oil pool? *Yes*
- 2) Has the Abo and Pre-Permian already been producing or do you have test data on those zones? *yes*
- 3) Please send a short copy of any test or production data already obtained on the Abo and the Pre-Permian. ✓
- 4) Please send gas BTU numbers on the Abo and the Pre-Permian.
- 5) Send the estimated BTU on the Wolfcamp if it will be gas or the API gravity of the oil if the Wolfcamp will be oil.
- 6) Send copies of the form C-102 for each of these three intervals.
- 7) Send a written explanation of the method you will use to most accurately determine the allocation between these three pools.

Since this is a diversely owned downhole commingle, please send a list of all revenue interest owners that you noticed as part of this application and a copy of the letter you sent to them.

Some brief supporting documentation and all rows of the C107A should be filled out for normal DHC applications that have identical ownership. If you don't know the answers, it is better for you to guess than for us to guess. For applications with diverse ownership, you should do all of that plus provide an explanation of the way that final percentage allocations will be obtained in order to ensure that all rights are protected.

Thank You,

William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

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