

DHC 6/27/00

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

2769

June 2, 2000

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

00 JUN - 7 AM 8:59  
OIL CONSERVATION DIV

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle production from the Townsend Upper Permo Penn and the NW Shoebar Strawn pools in the Big Flat ASN State #2 well, located in Unit P of Section 10, Township 16 South, Range 35 East, Lea County, New Mexico.

Enclosed is the necessary NMOCD Form C-107 with attachments.

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

Sincerely,

*Albert R. Stall*  
Albert R. Stall  
Operations Engineer

ARS/sd

Enclosures

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505

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  
Revised August 1999

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 S. 4th Street, Artesia, NM 88210  
Operator Address  
Big Flat ASN State 2 P 10 - 16S - 35E Lea  
Lease Well No. Unit Ltr.-Sec-Twp-Rge County  
Spacing Unit Lease Types: (check 1 or more)  
OGRID NO. 025575 Property Code 25143 API NO. 30-025-34792 Federal State X (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	Townsend Permo Upper Penn 59847		Shoebar Strawn, Northwest 56280
2. Top and Bottom of Pay Section (Perforations)	10,884 - 10,894'		11,304-11,321'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a. (Current)	a. (Current) BHP not available FTP 325 psi on 5/9/00
Oil Zones - Artificial Lift: Estimated Current	Not perforated yet		
Gas & Oil - Flowing: Measured Current	b. (Original)	b. (Original)	b. (Original)
All Gas Zones: Estimated or Measured Original	4766 psi from DST 10,879-10,915'		3985 psi on 3/2/00
6. Oil Gravity (EAPI) or Gas BTU Content	44.5° API		45° API
7. Producing or Shut-In?	Not perforated yet		Producing
Production Marginal? (yes or no)	No		No
* If Shut-In, give date and oil/gas/water rates of last production	Date: Estimated Rates: 200 BOPD, 400 MCFD, 0 BWPD	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Attachment A		
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 5/9/00 Rates: 223 BOPD, 550 MCFD, 210 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % Attachment B	Oil: % Gas: %	Oil: % Gas: % Attachment B

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

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

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 of Land Management has been notified in writing of the 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. - Attachment D (2 pages)
- \* Production curve for each zone for at least one year. (If not available, attach explanation.) - Attachment E (2 pages)
- \* For zones with no production history, estimated production rates and supporting data. - Attachment A (3 pages)
- \* Data to support allocation method or formula. - Attachment B (1 page)
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, date, 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 Albert R. Stall TITLE Operations Engineer DATE \_\_\_\_\_

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

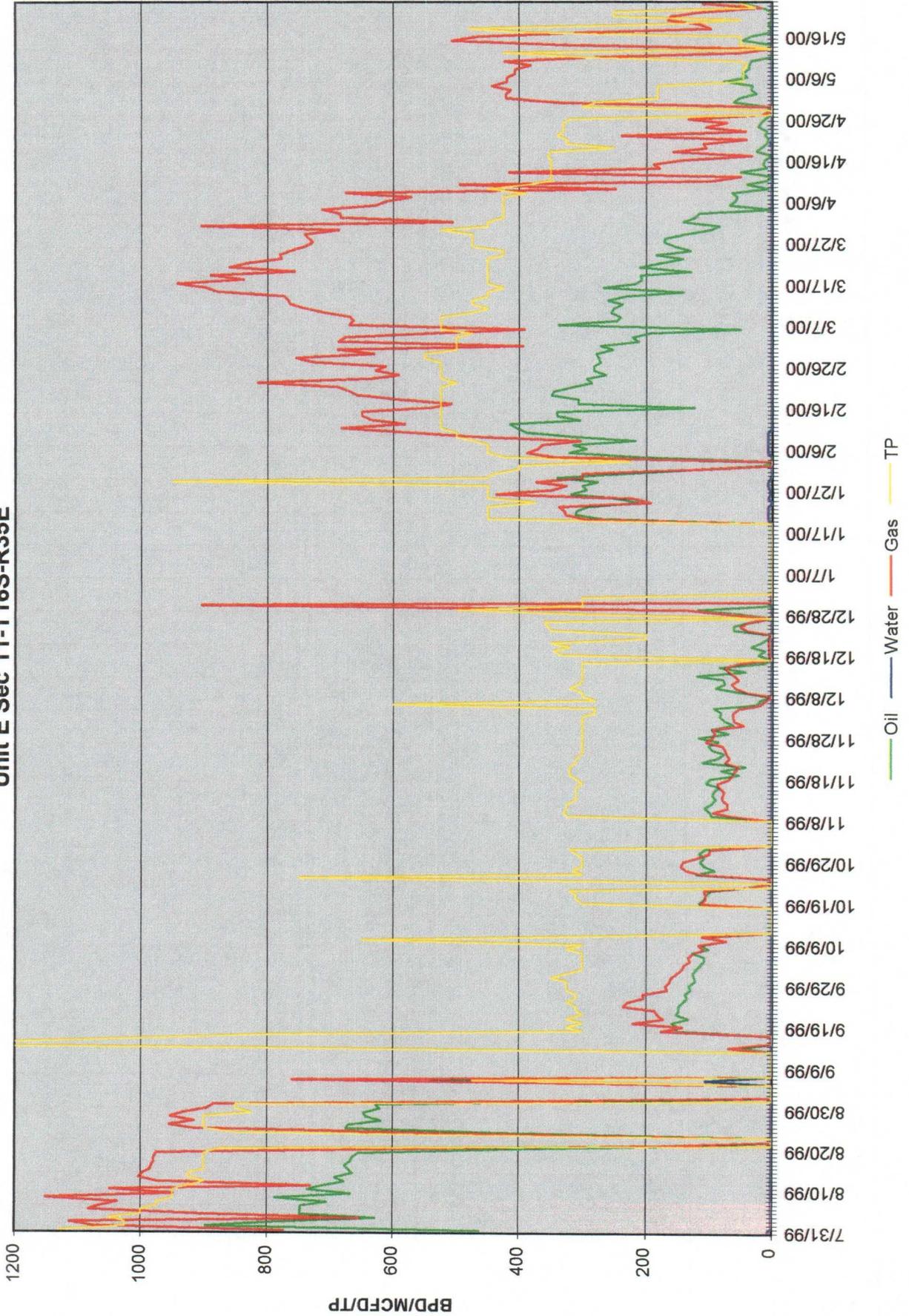
**Attachment A**  
**(Page 1 of 3)**

Estimated upper zone (Townsend Upper Permo Penn) production is based on production from other nearby Yates Petroleum Corporation wells producing from this formation. These wells are the Shell Lusk ANB Com #2 and the Brunson AQK State #2. Daily production plots for both wells are attached.

# SHELL LUSK ANB COM #2

## Cisco (Townsend Permo Upper Penn) Daily Production

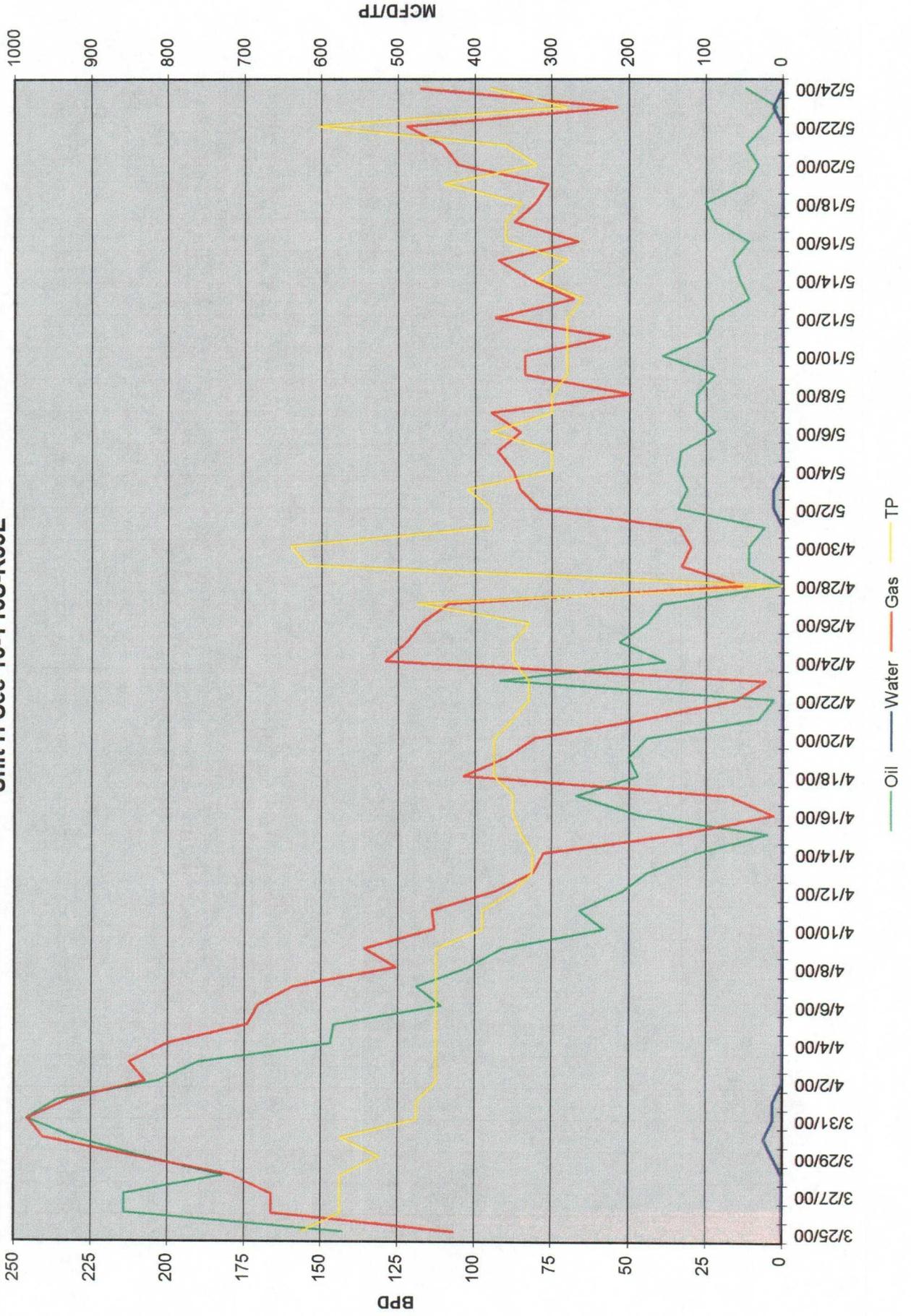
### Unit E Sec 11-T16S-R35E



# BRUNSON AQK STATE #2

## Cisco (Townsend Permo Upper Penn) Daily Production

Unit H Sec 10-T16S-R35E



**Attachment B**  
**(Page 1 of 1)**

A fixed percentage allocation formula based on production rates will be submitted for approval after production testing the upper zone (Townsend Upper Permo Penn) before commingling the two zones.

**Attachment C**  
**(Page 1 of 1)**

Cross-flow should not occur under producing conditions. Fluids are compatible and formation damage will not occur. The allocation formula will be reliable, and the commingling will not result in the permanent loss of reserves due to cross-flow in the wellbore.

Commingling will not jeopardize the efficiency of future secondary operations in either of the pools being commingled.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-34792</b>	Pool Code <b>56280</b>	Pool Name Northwest Shoebar Strawn
Property Code <b>25143</b>	Property Name BIG FLAT "ASN" STATE	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3990

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	16S	35E		330	SOUTH	330	EAST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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


OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Ken Beardemphl

Title

Landman

Date

December 10, 1999

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.

Date Surveyed

Signature & Seal of Professional Surveyor



Certificate No. M. L. Jones RLS 3640

BIG FLAT 2 DISK 19

GENERAL SURVEYING COMPANY

B-10629  
N. 32°55'49.6"  
W. 103°26'16.8"  
330° 330

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 30-025-34792		2 Pool Code 59847		3 Pool Name Townsend Permo Upper Penn	
4 Property Code 25143		5 Property Name Big Flat ASN State			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3990

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
P	10	16S	35E		330	South	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

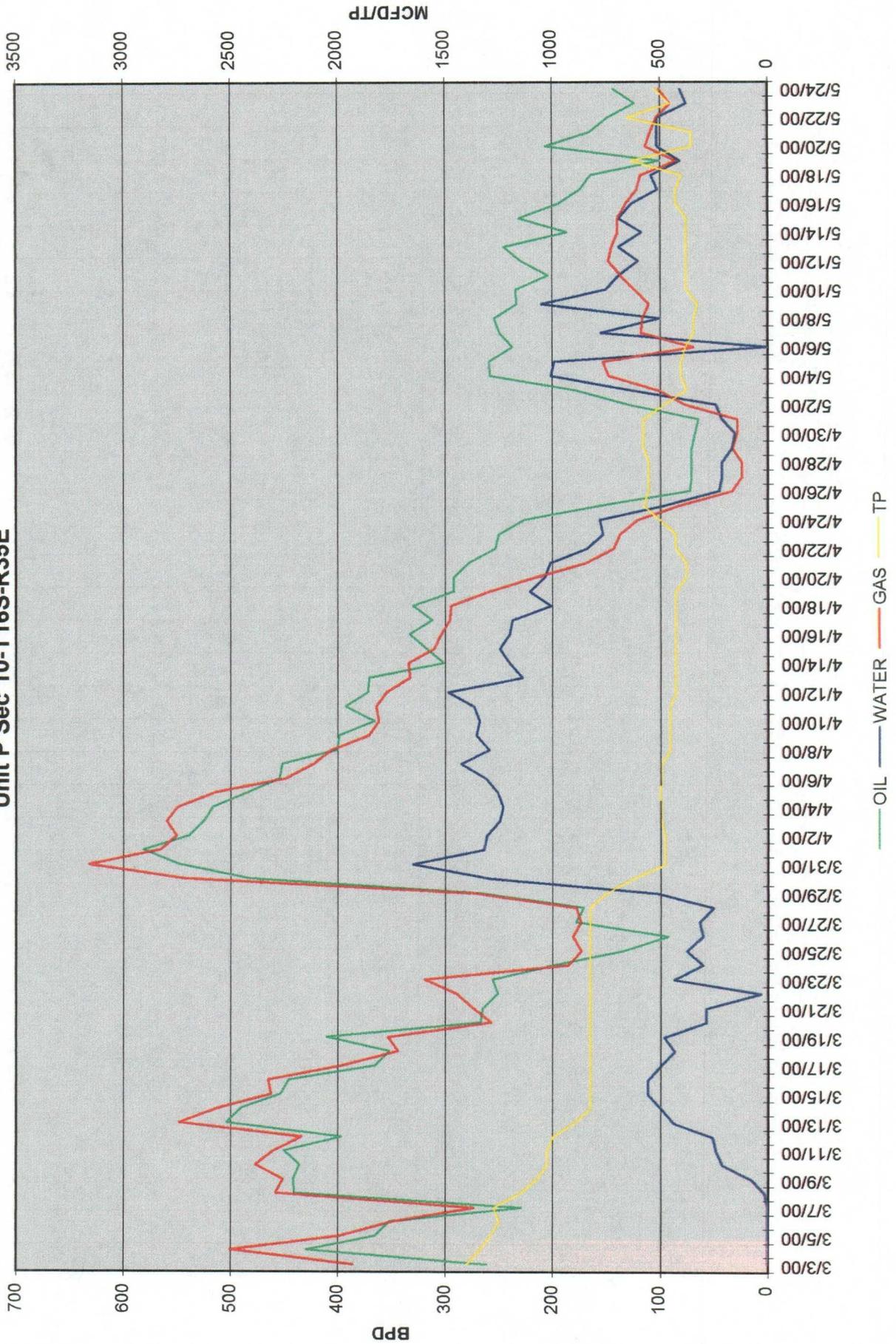
12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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 <i>Stormi Davis</i>
					Printed Name Stormi Davis Title Operations Technician Date June 2, 2000
				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	

330' ● 330'

### BIG FLAT ASN STATE #2 Shoobar Strawn, NW Daily Production Unit P Sec 10-T16S-R35E



**Attachment E**  
**(Page 2 of 2)**

The upper zone (Townsend Upper Permo Penn) has not been completed yet. Daily production plots (Attachment A) for two nearby Yates petroleum Corporation wells are attached to provide an estimate of expected production from the zone.

DHC-2769



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

6/21/00

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_ *X*
- NSL \_\_\_\_\_
- NSP \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

*Yates Petroleum Corp* *Big Flat ASN State* # *2-P-10-165-35e*  
 Operator Lease & Well No. Unit S-T-R *30-025-34792*

and my recommendations are as follows:

*OK*

Yours very truly,

Chris Williams  
Supervisor, District 1

/ed