

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

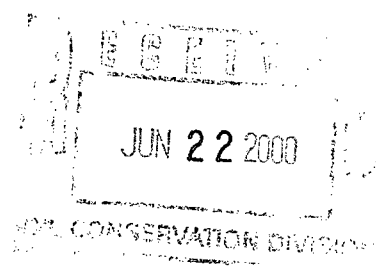


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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 20, 2000

2776




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 Upper Penn and Undesignated Strawn pools in our Avenger AVG State #1 located in Unit K of Section 32, Township 20 South, Range 24 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219.
Thank you.

Sincerely,


James M. Hill
Operations Engineer

JMH/th

Enclosures

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TREASURER

June 20, 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 Upper Penn and Undesignated Strawn pools in our Avenger AVG State #1 located in Unit K of Section 32, Township 20 South, Range 24 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219.
Thank you.

Sincerely,

James M. Hill
Operations Engineer

JMH/th

Enclosures

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

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 South Fourth Street

Operator

Address

Avenger AVG State

I

K

32 - 20S - 24E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 025575 Property Code 25705 API No. 30-015-21432 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Digger Down Up Undesignated Upper Penn Arve		Undesignated Strawn
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7,429' - 7,626'		8,066' - 8,210'
Method of Production (Flowing or Artificial Lift)	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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1137 BTU		1089 BTU
Producing, Shut-In or New Zone	New Zone		New Zone
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: 166 mcf/d (estimated)	Date: Rates:	Date: Rates: 228 mcf/d (estimated)
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 % %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
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: _____

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 James M. Hill TITLE Operations Engineer DATE 6-20-00

TYPE OR PRINT NAME James M. Hill TELEPHONE NO. (505) 748-4219

<p>1. 2001 971319</p> <p>Frank Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>12</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>7</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>8</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>9</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>10</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>
<p>14</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>13</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>18</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>17</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>16</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>15</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>
<p>23</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>24</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>19</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>20</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>21</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>22</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>
<p>26</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>25</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>30</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>29</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>28</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>27</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>
<p>35</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>36</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>31</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>32</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>33</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>	<p>34</p> <p>Yates Pet. et al 8-1-95 84840 2922</p> <p>U.S.</p>

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 30-015-21432		2 Pool Code		3 Pool Name Undesignated Upper Penn	
4 Property Code 25705		5 Property Name Avenger AVG State			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3863'

10 Surface Location

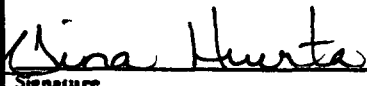
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	32	20S	24E		1980	South	1980	West	Eddy

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.  Signature Tina Huerta Printed Name Operations Technician Title 6-20-00 Date
				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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

The Undesignated Upper Penn is a new zone and production curves are not available.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1008 Rio Brazos Rd., Aztec, NM 87410
District IV
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-21432		2 Pool Code		3 Pool Name Undesignated Strawn	
4 Property Code 25705		5 Property Name Avenger AVG State			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3863'

10 Surface Location

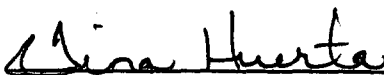
UL or lot no. K	Section 32	Township 20S	Range 24E	Lot Ida	Feet from the 1980	North/South line South	Feet from the 1980	East/West line West	County Eddy
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11 Bottom Hole Location If Different From Surface

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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The Undesignated Strawn is a new zone and production curves are not available.

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation.

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766



DHC - 2776

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

August 31, 2000

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Mr. James M. Hill

Re: Application for Downhole Commingling
Avenger "AVG" State Well No. 1
Unit Letter K, Section 32-20S-24E
Undesignated Upper Penn and Undesignated Strawn Pools
Eddy County, New Mexico

Dear Mr. Hill:

Your application to downhole commingle the Undesignated Upper Penn and Undesignated Strawn production from within the wellbore of the above-captioned well was received on August 9, 2000.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

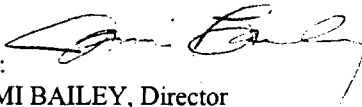
Also, please submit a copy of the Oil Conservation Division's approval order.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

~~OC~~CD--Attention: David Catanach, Ben Stone