

District II  
1301 W. Grand Avenue, Artesia, NM 88210

JAN 29 2007

### Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes  No

District III  
1000 Rio Brazos Road, Artesia, NM 88210

Oil Conservation Division

District IV  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

### APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 South Forth Street, Artesia, NM 88210

Operator

Address

DHC-3850

Clayton BFO State Com #1

Unit I- Section 16 - 19S-26E

Eddy

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 019265 API No. 30-015-33733 Lease Type: Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat; Atoka		Four Mile Draw; Morrow <i>Go</i>
Pool Code	<del>96049</del>		76960 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,366-6,958'		8,092-9,110'
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)			
Producing, Shut-In or 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: New Zone Rates:		Date: January Avg Rates: 157 MCF 1 Bbls Oil 0 Bbls Water
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 Allocation % will be submitted when completed		Oil Gas Allocation % will be submitted when completed

#### 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: \_\_\_\_\_

#### 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 *Mike Hill* TITLE Operations Engineer DATE 1-22-07

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

E-MAIL ADDRESS mhill@ypcnm.com

# RECEIVED

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
 AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-33733</b>	<sup>2</sup> Pool Code <b>76960</b>	<sup>3</sup> Pool Name <b>Four Mile Draw; Morrow</b>
<sup>4</sup> Property Code <b>010580</b>	<sup>5</sup> Property Name <b>Clayton BFO State Com</b>	
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>6</sup> Well Number <b>#1</b>
		<sup>9</sup> Elevation <b>3,354' GR</b>

#### <sup>10</sup> Surface Location

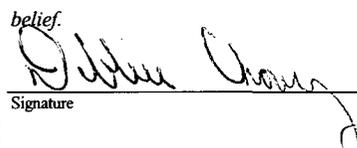
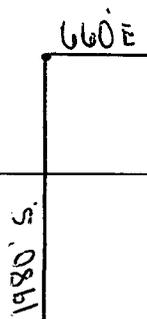
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	16	19S	26E		1980'	South	660'	East	Eddy

#### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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

				<sup>17</sup> 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 Debbie Chavez Printed Name Engineering Technician Title and E-mail Address January 17, 2007 Date
				<sup>18</sup> 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

# RECEIVED

State of New Mexico

Form C-102

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

JAN 29 2007 Energy, Minerals & Natural Resources Department

Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III  
1000 Rio Brazos Rd., Aztec, NM 87418

Oil Conservation Division

1220 South St. Francis Dr.

State Lease - 4 Copies

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Santa Fe, NM 87505

Santa Fe, NM 87505

Fee Lease - 3 Copies

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

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<sup>4</sup> Property Code <b>010580</b>		<sup>5</sup> Property Name <b>Clayton BFO State Com</b>			<sup>6</sup> Well Number <b>#1</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>3,354' GR</b>

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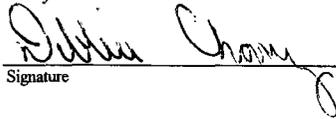
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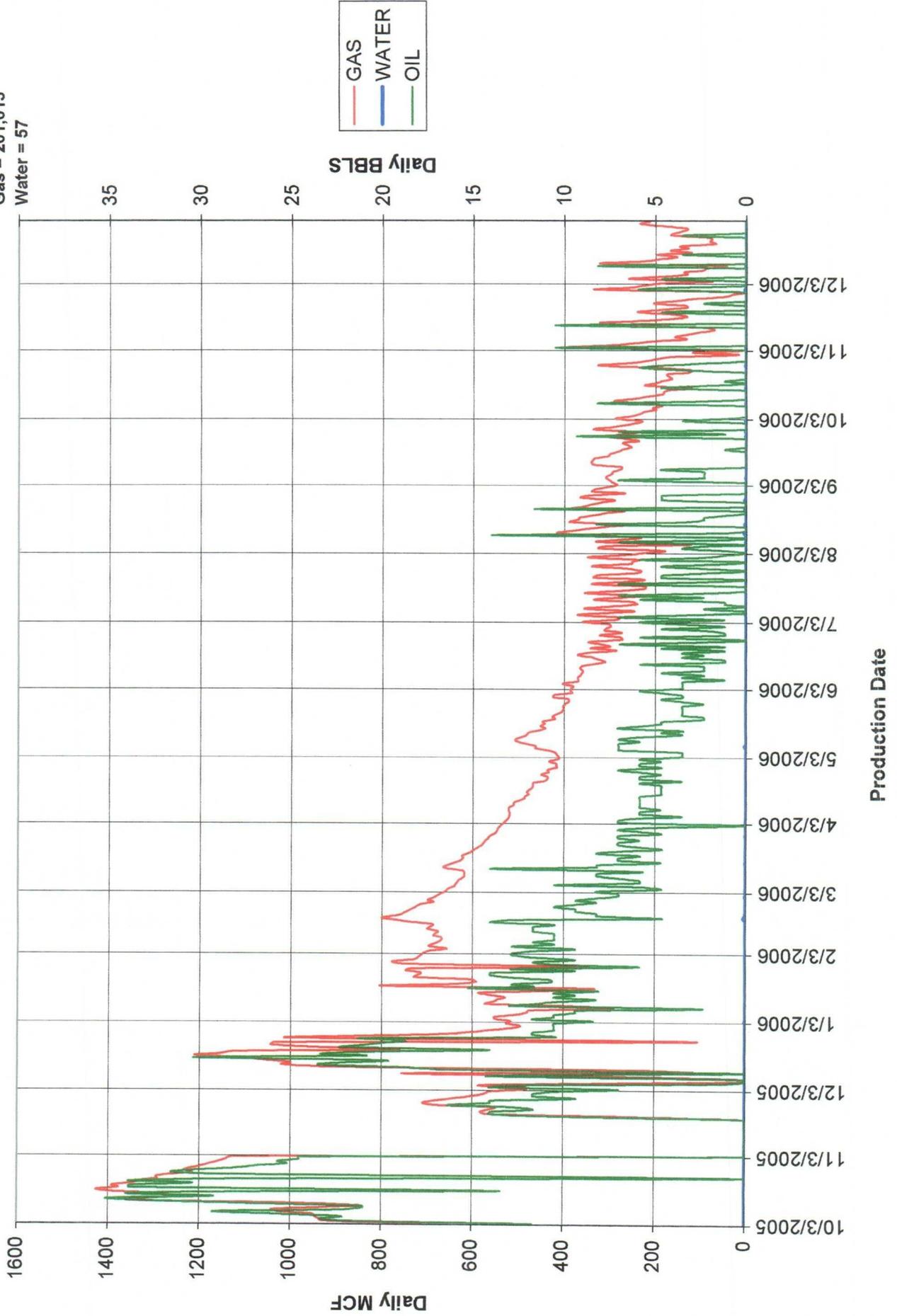
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			660' E 1930 S.	Certificate Number

CLAYTON BFO STATE COM #1 (019265-001)

Cum Daily Prod:  
Oil = 2,897  
Gas = 201,013  
Water = 57



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



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

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
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TREASURER

RECEIVED

JAN 29 2007

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

January 18, 2007

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

Re: Clayton BFO State Com #1

Dear Mr. Jones

Enclosed please find a copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Clayton BFO State Com #1 of 16-19S-26E, Eddy County, New Mexico.

Sincerely,

Debbie Chavez  
Engineering Technician

Enclosures

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

The Wildcat Atoka Sand is a new zone and production curves are not available.