

DATE IN 2/7/03	SUSPENS NA	ENGINEER JEC	LOGGED IN KW	TYPE DHC	OFFICE PKR10303849975
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



3107

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.

James M. Hill

James M. Hill
Signature

Operations Engineer 02-6-2003

Print or Type Name

Title

Date

e-mail Address

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

Blue Pearl BAF State Com

1

O

34

16S

27E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 025575 Property Code _____ API No. 30-015-32249 Lease Type ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<i>Und.</i>		<i>Und.</i>
Pool Name	Diamond Mound Atoka South		Crow Flats Morrow
Pool Code	<i>97002</i>		<i>75720</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8670-8680'		9002-9042' 8844-8858'
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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA		NA
Producing, Shut-In or New Zone	New Zone		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.)	Est-Based on Off-Set Production 350 mcf/d 0 bopd 0 bwpd		Date: 2/4/03 1.5 mmcf/d 9 bopd 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 0% 19%	Oil Gas % %	Oil Gas 100% 81%

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 : February 6, 2003
TYPE OR PRINT NAME: James M. Hill TELEPHONE NO. (505)-748-4219

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
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

February 6, 2003

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Crow Flats Morrow and the Diamond Mound Atoka South pools in our Bleu Pearl BAF State Com #1 located in Unit O of Section 34, Township 16 South, Range 27 East, Eddy County.

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

Sincerely,

James M. Hill
Operations Engineer

JMH/cm

Enclosures

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TREASURER

February 6, 2003

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 Crow Flats Morrow and the Diamond Mound Atoka South pools in our Bleu Pearl BAF State Com #1 located in Unit O of Section 34, Township 16 South, Range 27 East, Eddy County.

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

Sincerely,

A handwritten signature in cursive script that reads 'James M. Hill'.

James M. Hill
Operations Engineer

JMH/cm

Enclosures

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DENNIS G. KINSEY
TREASURER

February 6, 2003

Pete Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Mr. Martinez,

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Bleu Pearl BAF State Com #1, located in Unit O of Section 34, Township 16 South, Range 27 East, Eddy County.

Should you have any questions, feel free to contact me at (505) 748-4219. Thank you.

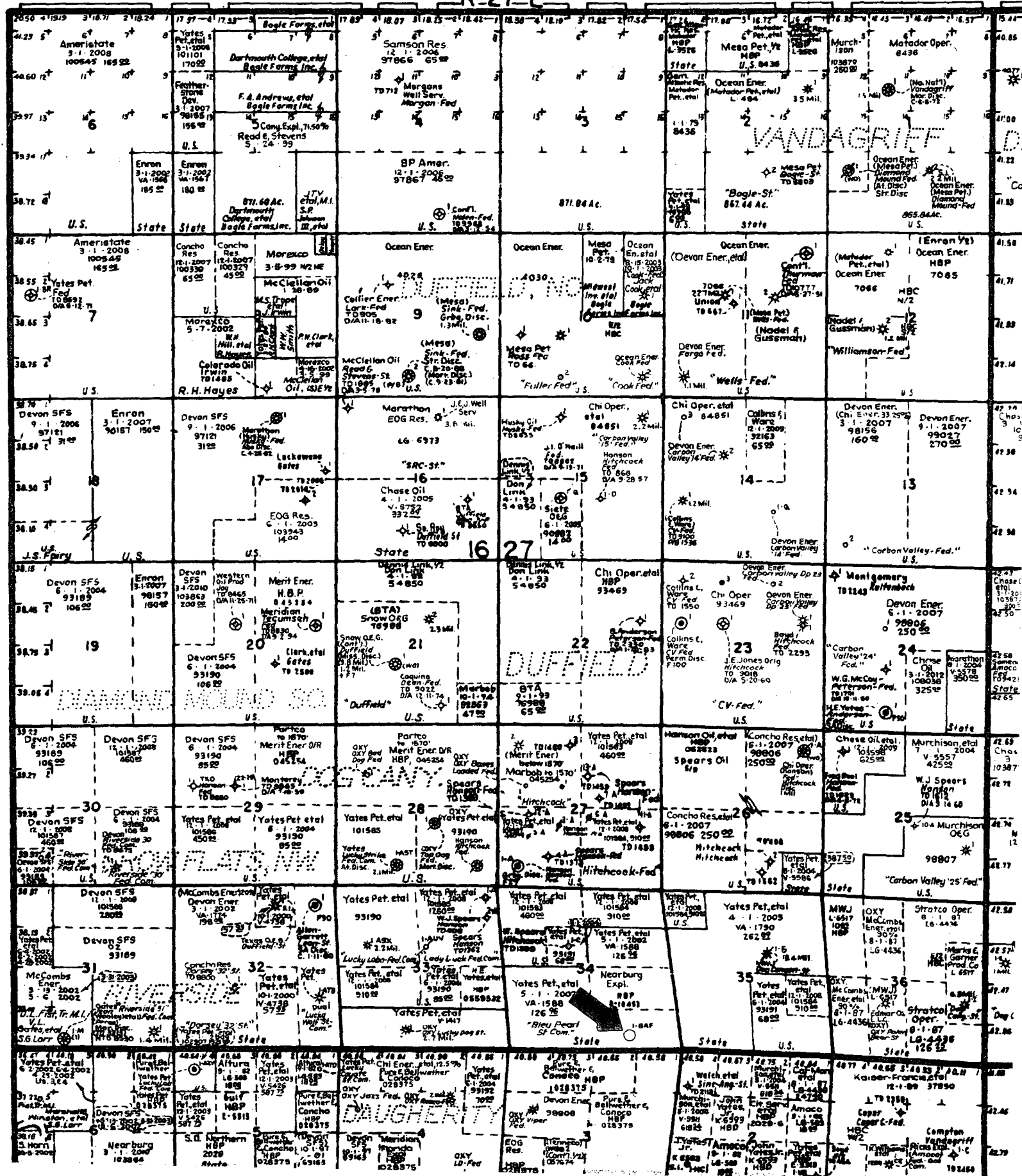
Sincerely,

A handwritten signature in black ink that reads 'James M. Hill'. The signature is written in a cursive, flowing style.

James M. Hill
Operations Engineer

JMH/cm

R-27-E



1625 N. French Dr., Hobbs, NM 88240

District 11

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

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32249	² Pool Code	³ Pool Name Diamond Mound Atoka South
⁴ Property Code	⁵ Property Name Bleu Pearl BAF State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3419

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
0	34	16S	27E		660	South	1650	East	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
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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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Cherry A. Matchus</u> Cherry A. Matchus Printed Name Engineering Technician Title 02-06-2003 Date
				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> Date of Survey Signature and Seal of Professional Surveyor:
			1650'	Certificate Number

The Diamond Mound Atoka South is a new zone and production curves are not available.

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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
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32249	² Pool Code	³ Pool Name Crow Flats Morrow
⁴ Property Code	⁵ Property Name Bleu Pearl BAF State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3419

¹⁰ Surface Location

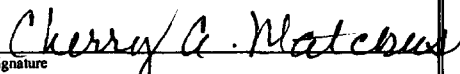
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹¹ Bottom Hole Location If Different From Surface

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

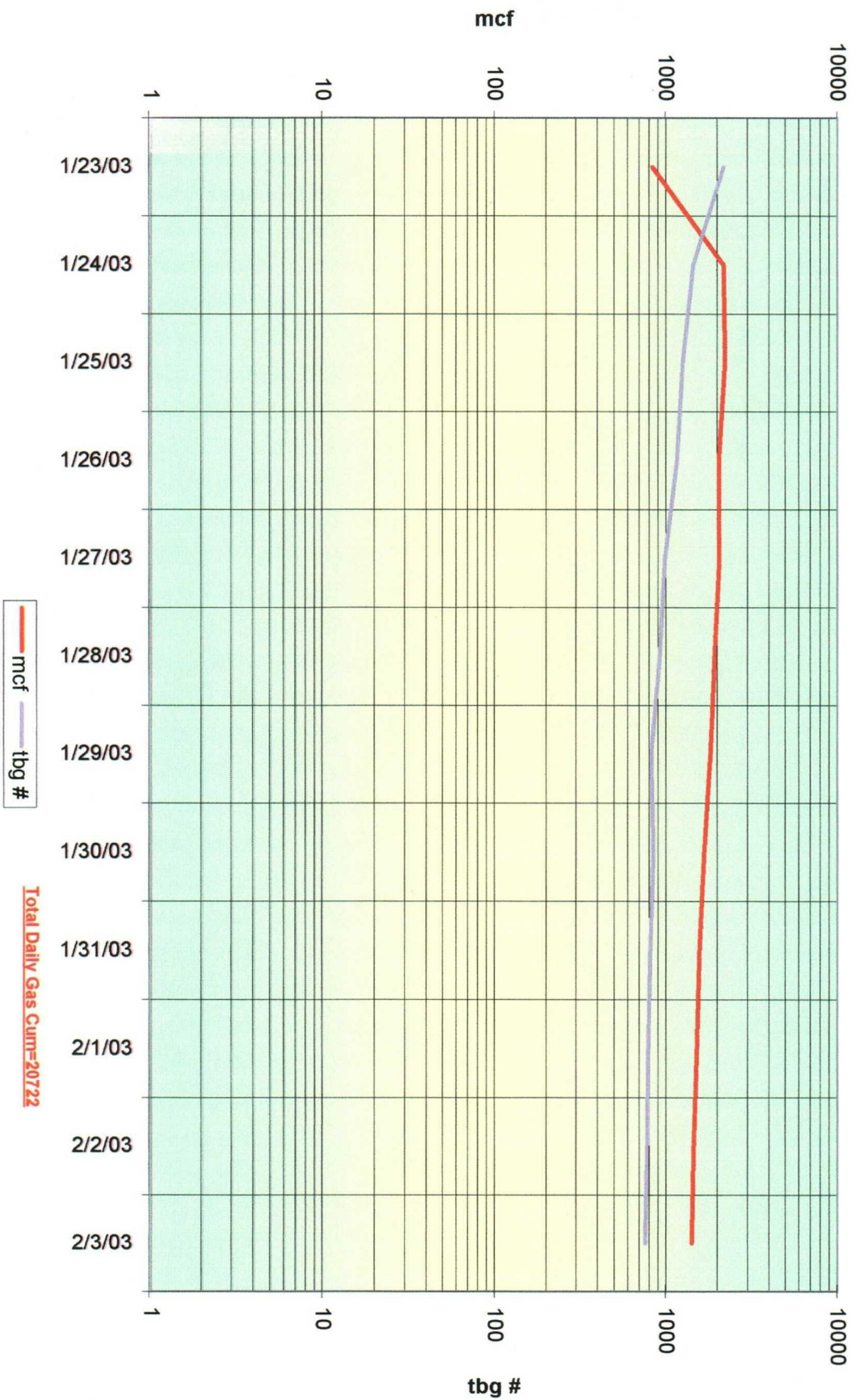
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¹⁶				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Cherry A. Matchus Printed Name Engineering Technician Title 02-06-2003 Date ¹⁸ SURVEYOR 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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

1650'

Bleu Pearl "BAF" State Com #1 Crow Flats Morrow Daily Production



YATES PETROLEUM CORPORATION

105 S. 4th Street
Artesia, NM 88210**FAX**

DATE: 2-11-03

NUMBER OF PAGES INCLUDING COVER SHEET: 1

TO: David Catanach
BCD

PHONE:

FAX: 505-476-3471

CC:

FROM: Cheryl Matelus

PHONE:

FAX: 948-4585

REMARKS:

☐ Urgent☐ For Your Review☐ Reply ASAP☐ Please Comment

David,

We are basing this off of INITIAL PROD. If this is not going to work. Please adjust our Formula.

Thank you
Cheryl M

EDDY NM

LUCKY STRIKE AST FEDERAL COM 1

YATES PETROLEUM CORPORATION

ACTIVE

Detailed Production Report

Lease Name:	LUCKY STRIKE AST FEDER	Well Number:	1
Lease Number:		Cum Oil:	52
Operator Name:	YATES PETROLEUM CORPORAT	Cum Gas:	28,321
State:	NEW MEXICO	Cum Water:	
County:	EDDY	First Production Date:	JAN 2000
Field:	DIAMOND MOUND SOUTH	Last Production Date:	SEP 2002
Sec Twn Rng:	28 16S 27E	Spot:	C SE SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:		Completion Date:	
API:	30015307650000	Total Depth:	
Production ID:	2300220153076597002	Upper Perforation:	
Reservoir Name:	ATOKA	Lower Perforation:	
Prod Zone:	ATOKA	Gas Gravity:	
Prod Zone Code:	403ATOK	Oil Gravity:	
Basin Name:	PERMIAN BASIN	Temp Gradient:	
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE		GAS

Annual Production

Year	Oil BBLs	Gas MCF	Water BBLs
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Beginning

Cum:			
2000	52	20,067	
2001		7,192	
2002		1,062	
Totals:	52	28,321	

Monthly Production

Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	Cond Yld BBLs/MCF	% Water	# of Wells	Days on
JAN 2000	49	11,559	2	373	4.24	1	21
FEB 2000	0	4				1	2
MAR 2000	0	460				1	3
APR 2000	1	343		2.92		1	2
MAY 2000	0	0				0	0
JUN 2000	0	0				0	0
JUL 2000	1	233		4.30		1	4
AUG 2000	0	485				1	4
SEP 2000	0	0				0	0
OCT 2000	1	608		1.65		1	5

NOV 2000	0	612	1	4
DEC 2000	0	5,763	1	2
Totals:				
2000	52	20,067		
JAN 2001		338	1	3
FEB 2001		2,449	1	18
MAR 2001		0	0	0
APR 2001		0	0	0
MAY 2001		577	1	2
JUN 2001		3,806	1	25
JUL 2001		0	0	0
AUG 2001		0	0	0
SEP 2001		0	0	0
OCT 2001		0	0	0
NOV 2001		0	0	0
DEC 2001		22	1	11
Totals:				
2001		7,192		
JAN 2002		389	1	3
FEB 2002		0	0	0
MAR 2002		0	0	0
APR 2002		0	0	0
MAY 2002		0	0	0
JUN 2002		14	1	1
JUL 2002		595	1	10
AUG 2002		62	1	6
SEP 2002		2	1	1
Totals:				
2002		1,062		

Lease Name: LUCKY STRIKE AST FEDERAL COM
County, State: EDDY, NM
Operator: YATES PETROLEUM CORPORATION
Field: DIAMOND MOUND SOUTH
Reservoir: ATOKA
Location: 26 16S 27E C SE SW

LUCKY STRIKE AST FEDERAL COM - 1

