

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 Wyoming
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION COMMISSION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-61224
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-6997
7. Lease Name or Unit Agreement Name: Pennzoil SG State
8. Well No. 1
9. Pool name or Wildcat Pecos Slope Abo/ Wolfcamp

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	RECEIVED OCT 17 2005 OCD-ARTESIA
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>J</u> <u>NWSE</u> <u>:</u> <u>1980'</u> <u>feet from the</u> <u>South</u> <u>line and</u> <u>1980'</u> <u>feet from the</u> <u>East</u> <u>line</u> Section <u>32</u> Township <u>7S</u> Range <u>26E</u> NMPM <u>Eddy</u> County 10. Elevation (Show whether DR, RKB, RT, GR, etc.)	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Surface/Pool Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation respectfully request permission to Surface/Pool Commingle the following well:

STATE

Pennzoil SG State #1
1980' FSL & 1980' FEL (Unit J)
Section 32-T7S-R26E
Formation: Pecos Slope Abo -- 13mcfd, 0bbbls of oilpd
Wolfcamp -- 100mcfd, 0bbbls of oilpd
Eddy County, New Mexico
API # 30-005-61224

The production/sales from the Pennzoil SG State #1 well for the Pecos Slope Abo & Wolfcamp formations will be measured based off initial test percentage factors.

Owners were notified. All in house Yates Petroleum Corporation subsidiaries.

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

SIGNATURE Mayte Reyes TITLE Production Secretary DATE August 4, 2005

Type or print name Mayte Reyes
(This space for State use)

Telephone No. (505) 748-4213

APPROVED BY FOR RECORDS ONLY TITLE DATE
Conditions of approval, if any

OCT 19 2005

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



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 _____

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OCT 17 2005

000-111-151A

[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 SLG
 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.

MAYTE REYES *Mayte Reyes* Production Clerk 8-4-05
 Print or Type Name Signature Title Date
 mayter@ypcnm.com
 e-mail Address

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM

**N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

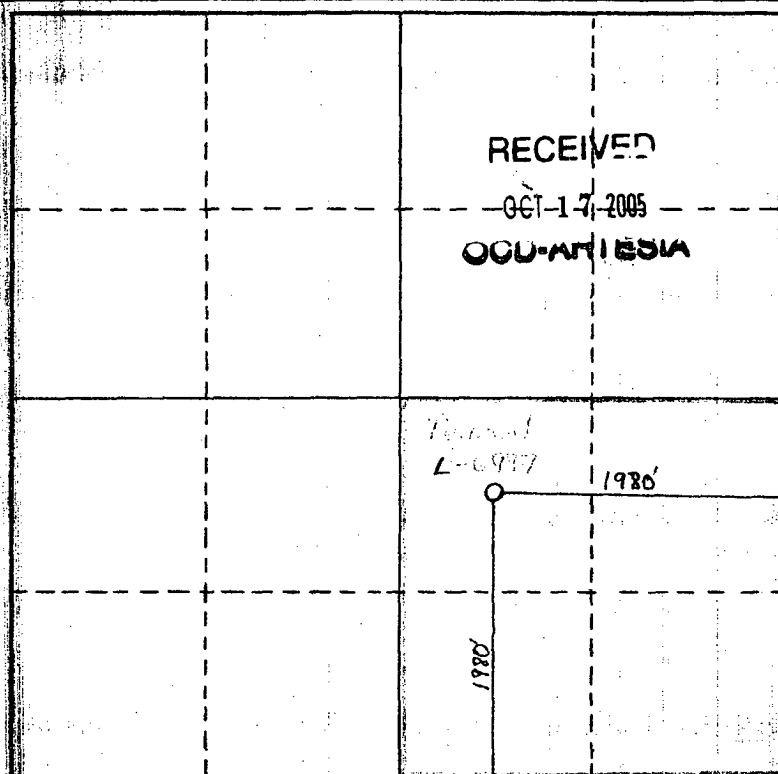
Operator Yates Petroleum Corporation			Lease Penzoil "SG" St.		Well No. 1
Unit Letter J	Section 32	Township 7S	Range 26E	County Chaves	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3675	Producing Formation Abo		Pool Undes. Abo	Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Cy Combs

Name

Regulatory Coordinator

Position

Yates Petroleum Corporation

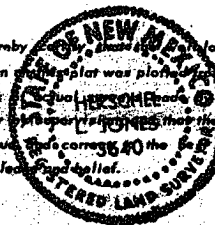
Company

November 13, 1981

Date

11/13/81

I hereby certify that the location shown on this plat was plotted from field notes of *Equal Area* or under other circumstances that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

November 12, 1981

Registered Professional Engineer and/or Land Surveyor

Certificate No.

3640

230 560 190 1320 1650 1980 2310 2640 2000 1900 1000 500 0

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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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-61224	² Pool Code 97110	³ Pool Name Leslie Spring; Wolfcamp, South
⁴ Property Code 12636	⁵ Property Name Pennzoil SG State	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number 1
		⁹ Elevation 3675'GR

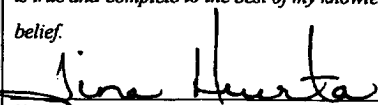
¹⁰ **Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	32	7S	26E		1980	South	1980	East	Chaves

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.			

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 Tina Huerta Printed Name Regulatory Compliance Supervisor Title and E-mail Address May 10, 2005 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

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OOD-MT1551A

1980'S
1980'E

TOWNSHIP 7 SOUTH, RANGE 26 EAST, N.M.P.M.

Section 32: S $\frac{1}{2}$

Chaves County, New Mexico

As of 8/3/2005:

Request of ownership for commingling of the Pennzoil "SG" State # 1. Ownership is not common; listed below are the owners.

State of New Mexico Lease (V-90) in SW $\frac{1}{4}$ of T7S-R26E

	<u>Gross WI</u>	<u>Net Revenue</u>
Commissioner of Public Lands PO BOX 1148 Santa Fe, New Mexico 87504	0.0000000	0.16666667
Yates Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.25000000	0.20833334
Yates Drilling Company 105 South Fourth St. Artesia, New Mexico 88210	0.25000000	0.20833334
Abo Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.25000000	0.20833334
Myco Industries Inc. 105 South Fourth St. Artesia, New Mexico 88210	0.25000000	0.20833334
Total	1.00000000	1.00000000

State of New Mexico Lease (L-6997) in SE $\frac{1}{4}$ of T7S-R26E, surface to the base of the Abo formation.

	<u>Gross WI</u>	<u>Net Revenue</u>
Commissioner of Public Lands PO BOX 1148 Santa Fe, New Mexico 87504	0.00000000	0.12500000
Yates Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.00000000	0.12500000
Yates Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.10000000	0.07500000

TOWNSHIP 7 SOUTH, RANGE 26 EAST, N.M.P.M.

Section 32: S¹/₂

Chaves County, New Mexico

	<u>Gross WI</u>	<u>Net Revenue</u>
Myco Industries Inc. 105 South Fourth St. Artesia, New Mexico 88210	0.14000000	0.10500000
Sharbro Oil Ltd. Co. 105 South Fourth St. Artesia, New Mexico 88210	0.14000000	0.10500000
Sacramento Partners Limited 105 South Fourth St. Artesia, New Mexico 88210	0.30000000	0.22500000
Los Chicos 105 South Fourth St. Artesia, New Mexico 88210	0.10000000	0.07500000
Joann Yates 105 South Fourth St. Artesia, New Mexico 88210	0.02000000	0.01500000
John A. Yates 105 South Fourth St. Artesia, New Mexico 88210	0.10000000	0.07500000
Trust Q u/w/o Peggy A. Yates, Deceased, John A. Yates, Trustee 105 South Fourth St. Artesia, New Mexico 88210	0.10000000	0.07500000
Total	1.00000000	1.00000000

Ownership of (S¹/₂) below the Abo Formation, including the Wolfcamp formation.

	<u>Gross WI</u>	<u>Net Revenue</u>
Commissioner of Public Lands PO BOX 1148 Santa Fe, New Mexico 87504	0.00000000	0.145833340

TOWNSHIP 7 SOUTH, RANGE 26 EAST, N.M.P.M.

Section 32: S¹/₂

Chaves County, New Mexico

	<u>Gross WI</u>	<u>Net Revenue</u>
Yates Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.00000000	0.062500000
Yates Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.625000000	0.463541660
Yates Drilling Company 105 South Fourth St. Artesia, New Mexico 88210	0.125000000	0.109375000
Abo Petroleum Corporation 105 South Fourth St. Artesia, New Mexico 88210	0.125000000	0.109375000
Myco Industries Inc. 105 South Fourth St. Artesia, New Mexico 88210	0.125000000	0.109375000
Total	1.000000000	1.000000000

I, Chuck Moran, certify that these are the current owners of the production from the Pennzoil "SG" Com #1, as of August 3, 2005.

Very truly yours,

YATES PETROLEUM CORPORATION



Chuck Moran
Landman