

5/14/04 DATE IN	5/14/04 SUSPENSE	Dec ENGINEER	5/19/04 LOGGED IN	DHC TYPE	PDL 0414030513 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



DC-019
3284

Buder .ACN. Federal #2

30-005-63513

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 W. Pringle

Print or Type Name

James W. Pringle
Signature

Operations Engineer

Title

5/10/04

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

Pools

District IV
WELLBORE

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
X Single Well
Establish Pre-Approved

EXISTING

APPLICATION FOR DOWNHOLE COMMINGLING

X Yes No

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Operator Address
Buder .ACN. Federal 2 K 22 6S 26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code API No. 30-005-63513 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Crockett Draw Wolfcamp South		Bosque Penn (Cisco Limestone) <i>Pennsylvanian</i>
Pool Code	<i>97282</i>		<i>97263</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5128-5160		5310-5322
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			
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: 4/30/04 Rates: 311 mcf 2 bo 2 bw		Date: 10/5/03 Rates: 381 mcf 2 bo 2 bw
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50% Gas 45%		Oil 50 % Gas 55 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
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 W. Pringle* TITLE Operations Engineer DATE: 05/10/04
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505)-748-4182

2015-2016

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

May 10, 2004

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 the Crockett Draw Wolfcamp South and the Bosque Penn (Cisco) in our Buder .ACN. Federal #2, located in Unit K, Section 22, T6S-R26E, 1950 FSL & 1387 FWL, Chaves County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4182

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/Cm

Enclosure

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TREASURER

May 10, 2004

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
1301 W. Grand Street
Artesia, NM 88210

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Crockett Draw Wolfcamp South and the Bosque Penn (Cisco) in our Buder .ACN. Federal #2, located in Unit K, Section 22, T6S-R26E, 1950 FSL & 1387 FWL, Chaves County, New Mexico.

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Sincerely,

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James W. Pringle
Operations Engineer

JWP/Cm

Enclosure

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DENNIS G. KINSEY
TREASURER

May 10, 2004

Armando Lopez
Bureau of Land Management
2909 2nd Street
Roswell, New Mexico 88201

Dear Mr. Lopez;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Crockett Draw Wolfcamp South and the Bosque Penn (Cisco) in our Buder .ACN. Federal #2, located in Unit K, Section 22, T6S-R26E, 1950 FSL & 1387 FWL, Chaves County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4182

Sincerely,

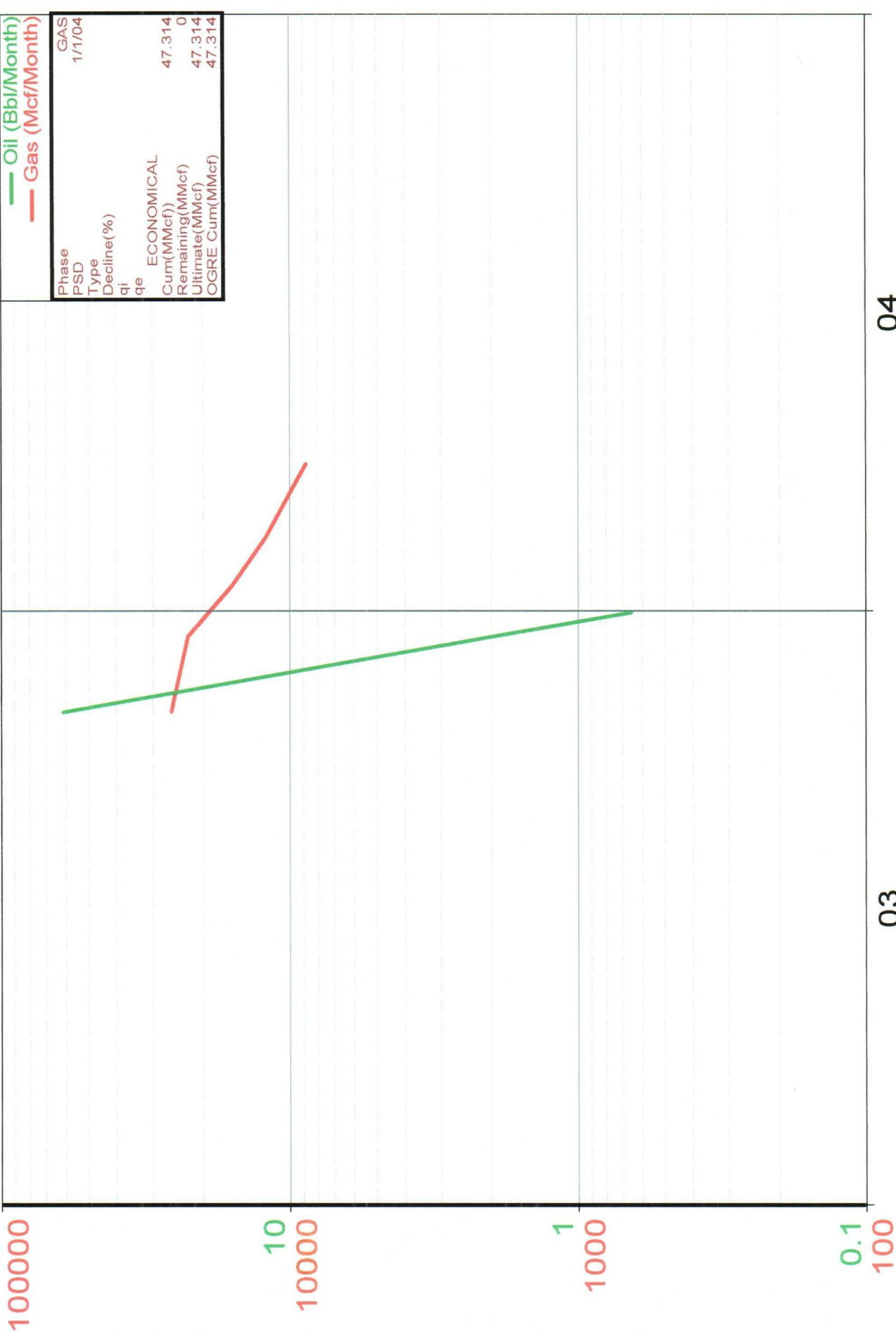
James W. Pringle
Operations Engineer

JWP/Cm

Enclosure

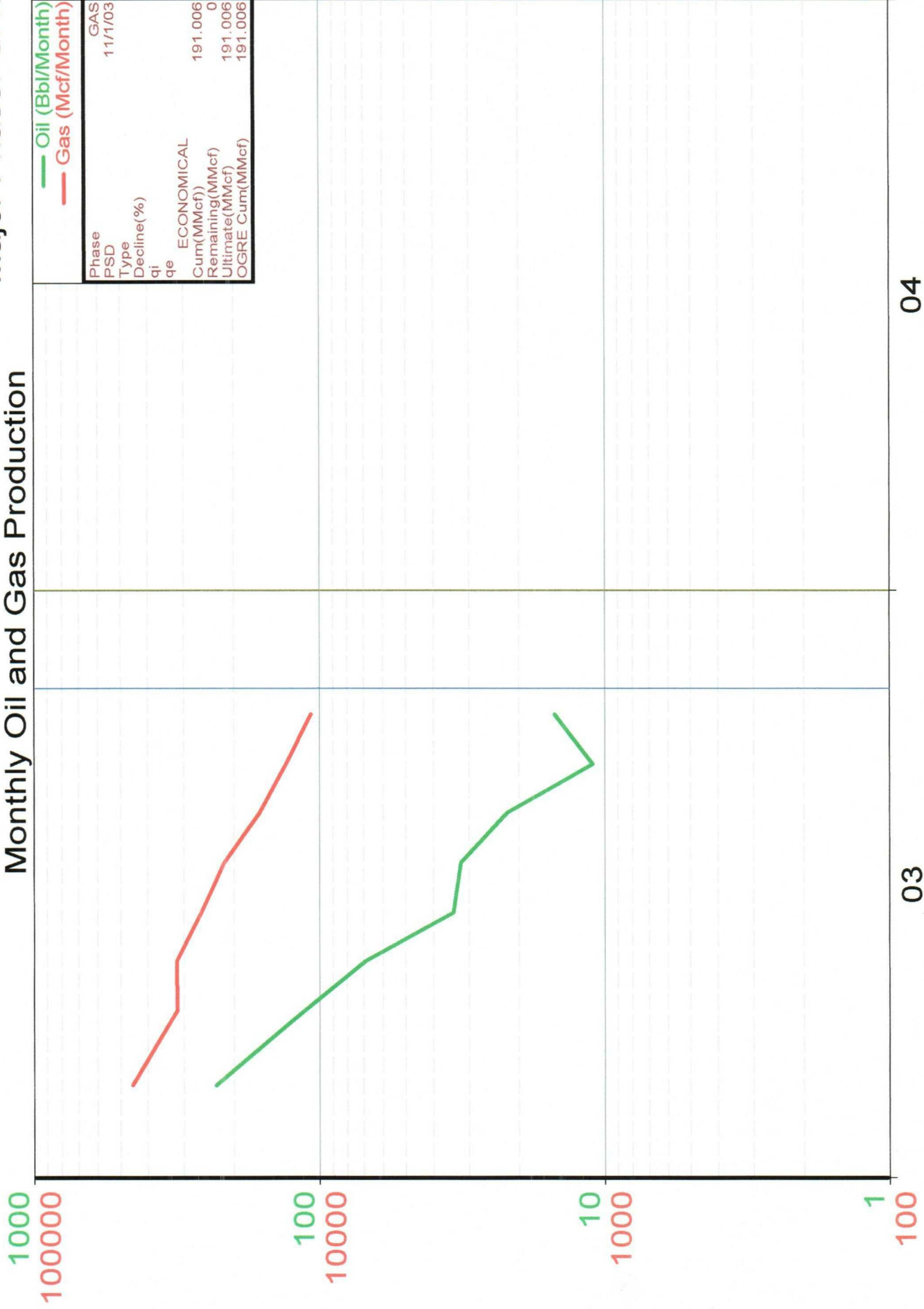
Property 1
BUDER ACN FEDERAL 2
Crockett Draw Wolfcamp Field
Monthly Oil and Gas Production

Major Phase: GAS



Property 2
BUDER ACN FEDERAL 2
Bosque (Pennsylvanian) Field
Monthly Oil and Gas Production

Major Phase: GAS



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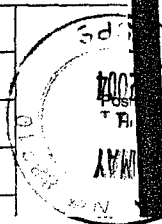
Armando Lopez
Bureau of Land Management
2909 2nd Street
Roswell, New Mexico 88201

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Stre

or F

City



PS Form 3800, June 2002 See Reverse for Instructions