

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



DC orig

Kookaburra AZB State #2

30-025-29741

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.

Sam Brandon

Sam Brandon

Operations Engineer

5/11/04

Print or Type Name

Signature

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
Kookaburra AZB 2 B 24 12S 34E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code API No. 30-025-29741 Lease Type ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Atoka		Wildcat Morrow
Pool Code	Urd. West Rafter Lake Atoka 96223		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11926-11958'		12138-12170
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		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.)	The Wildcat Atoka is a new zone and production curves are not available. Allocation based on net porosity-feet. Zone was perforated and fraced without test. A flow-through frac plug was set and the Atoka zone was perforated and fraced. Well was flowed to clean up frac fluids and SIWOPL.		The Wildcat Morrow is a new zone and production curves are not available. Allocation based on net porosity-feet. Zone was perforated and fraced without test. A flow-through frac plug was set and the Atoka zone was perforated and fraced. Well was flowed to clean up frac fluids and SIWOPL.
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 52% 52%	Oil Gas % %	Oil Gas 48 % 48%

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: _____

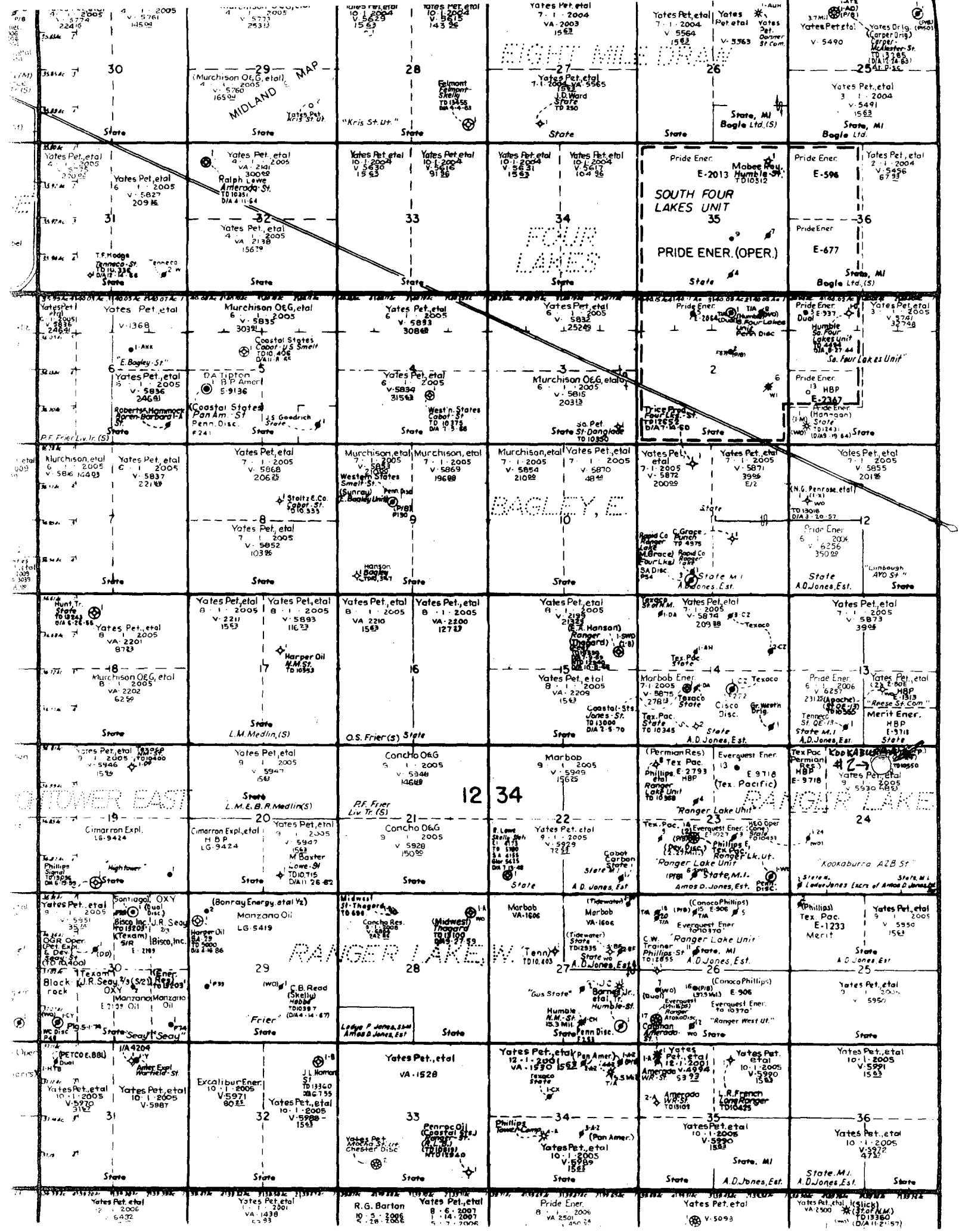
Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation 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 Sam Brandon TITLE Operations Engineer DATE : May 10, 2004
TYPE OR PRINT NAME: Sam Brandon TELEPHONE NO. (505)-748-4281



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 Wildcat Atoka and the Wildcat Morrow pools in our Kookaburra AZB State No. 2 located in Unit B of Section 24, Township 12 South, Range 34 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

Sam Brandon
Operations Engineer

SB/cm

Enclosures

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DENNIS G. KINSEY
TREASURER

May 10, 2004

Chris Williams
State of New Mexico
OIL CONSERVATION DIVISION
1625 French Drive
Hobbs, NM 88240

Dear Mr. Williams;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Atoka and the Wildcat Morrow pools in our Kookaburra AZB No. 2 located in Unit B of Section 24, Township 12 South, Range 34 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm

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DENNIS G. KINSEY
TREASURER

May 10, 2004

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 Kookaburra AZB No. 2 located in Unit B of Section 24, Township 12 South, Range 34 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

Sam Brandon
Operations Engineer

SB/cm
Enclosure

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SECRETARY
DENNIS G. KINSEY
TREASURER

May 11, 2004

Murchison Oil & Gas
P.O. Box 2415
Midland, Texas 79701

To: Interest Owner

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Atoka and the Wildcat Morrow in our Kookaburra AZB #2, located in Unit B Section 24, T12S-R34E, Lea County, New Mexico

Should you have any questions, or need additional information please call me at (505) 748-4281.

Sincerely,

A handwritten signature in cursive script that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/CM
Enclosure

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, 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

Form C-102
 Revised August 15, 2000

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

Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29741		³ Pool Name Wildcat Morrow	
⁴ Property Code	⁵ Property Name Kookaburra AZB State		⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 4127.5

¹⁰ Surface Location

UL or lot no. B	Section 24	Township 12S	Range 24E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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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

	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature <u>Cherry Matchus</u>	
	Printed Name Cherry Matchus Engineering Technician	
Title		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.
Date: <u>05/11/04</u>		
Date of Survey		
Signature and Seal of Professional Surveyor:		
Certificate Number		

The Wildcat Morrow is a new zone and production curves are not available. Allocation based on net porosity-feet. Zone was perforated and fraced without test. A flow-through frac plug was set and the Atoka zone was perforated and fraced. Well was flowed to clean up frac fluids and SIWOPL.

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29741		³ Pool Name Wildcat Atoka	
⁴ Property Code	⁵ Property Name Kookaburra AZB State		⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 4127.5

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
B	24	12S	24E		660	North	1980	East	Lea

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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	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Cherry Matchus</u> Cherry Matchus Printed Name Engineering Technician Title Date: <u>05/11/04</u>	
	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.	
	Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

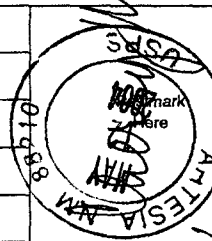
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(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.3m.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.88



Koo Kabuna

Sent To Mychalene D+g
Street, Apt. No.,
or PO Box No. Box 2415
City, State, ZIP+4 Midland, TX 79701

PS Form 3800, June 2002

See Reverse for Instructions

Yates Petroleum Corporation

105 S. Fourth Street
Artesia, New Mexico 88210

Fax

To: <u>OCD</u>	From: <u>Cherry Matchus</u>
Phone: <u>505-476-3466</u>	Phone: <u>505-748-4164</u>
Fax: <u>505-476-3462</u>	Date: <u>6/1/04</u>
Attn: <u>David Catanach</u>	Number Pages: <u>3+Cover</u>

COMMENTS:

David;

Please find log shots for the intervals we wish to DHC on our Kookaburra #2.

Also note that Murchison was sent a complete copy of the DHC application.
They called in response and had no problem with our intent to DHC.

Thanks,
Cherry M

ENTERED MAY - 7 2004

COMPANY: Yates Petroleum Corporation

WELL: Kookaburra AZB State #2

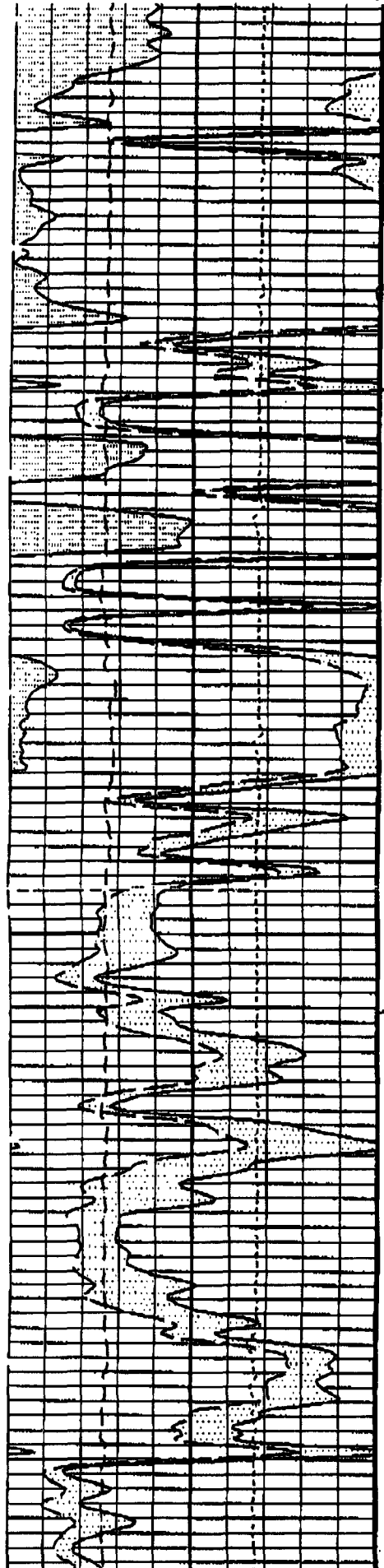
FIELD: Wildcat

COUNTY: Lea

STATE: New Mexico

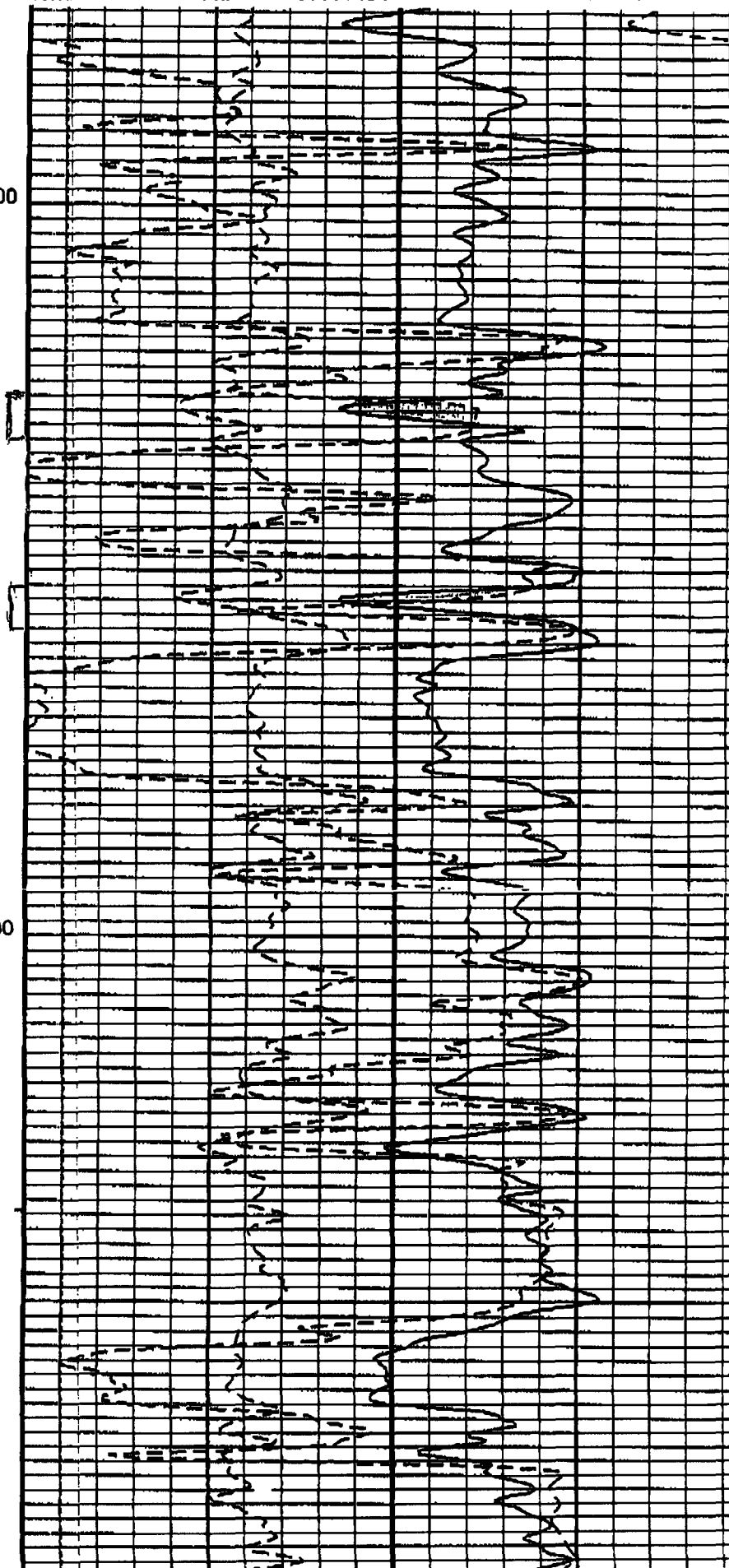
Field: Wildcat Location: 880' FNL & 1980' FEL Well: Kookaburra AZB State #2 Company: Yates Petroleum Corporation	Schlumberger		Slim Access Litho-Density Compensated Neutron Natural Gamma Ray				
			680' FNL & 1980' FEL		Elev.: KB. 4144 ft G.L. 4127.5 ft D.F. 4143 ft		
	Permanent Datum: <u>Ground Level</u>		Elev.: <u>4127.5 ft</u>				
	Log Measured From: <u>Kelly Bushing</u>		16.5 ft above Perm. Datum				
Drilling Measured From: <u>Kelly Bushing</u>							
API Serial No. 30-028-29741		SECTION 24		TOWNSHIP 12S		RANGE 34E	
Logging Date 13-Mar-2004		Run Number One					
Depth Driller 12420 ft		Schlumberger Depth 12440 ft					
Bottom Log Interval 12431 ft		Top Log Interval 10300 ft					
Logging Driller Size @ Depth 5.500 in @ 10550 ft		Logging Schlumberger 10565 ft					
Bit Size 4.750 in		Type Fluid In Hole Brine / Starch / Salt Gel					
Density	Viscosity	9.9 lbm/gal	36 s				
Fluid Loss	PH	6 cm3	10.8				
Source Of Sample Circulation Tank							
M @ Measured Temperature 0.041 ohm.m @ 83 degF							
MF @ Measured Temperature 0.058 ohm.m @ 53 degF							
MC @ Measured Temperature @							
Source RMF	RMC	Measured					
M @ MRT	RMF @ MRT	@	@	@	@		
Maximum Recorded Temperatures							
Circulation Stopped	Time	13-Mar-2004	14:00				
Logger On Bottom	Time	13-Mar-2004	19:30				
Unit Number	Location	3049	Roswell, N.M.				
Recorded By		Brian Bartley					

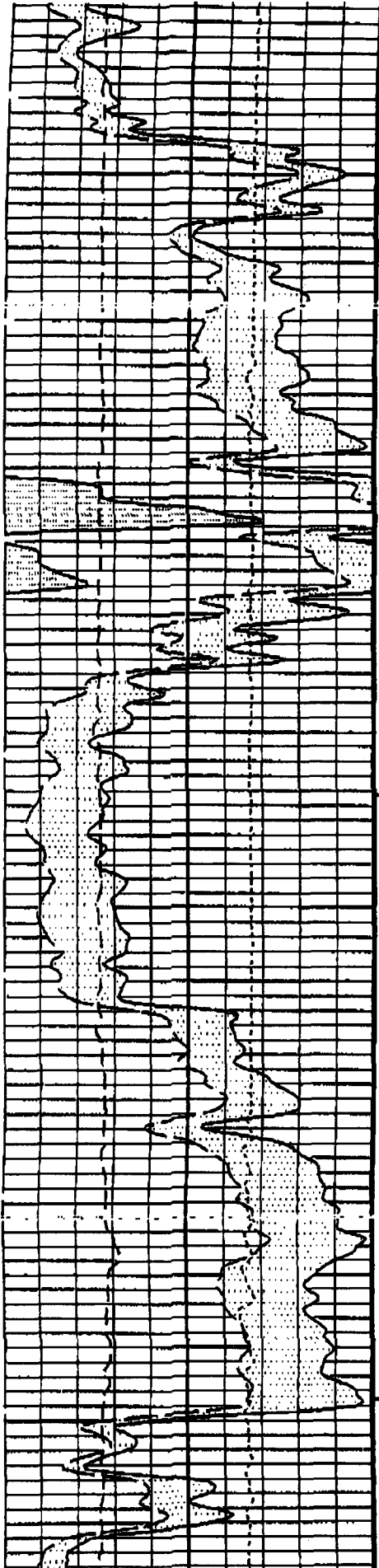
MUD



11900

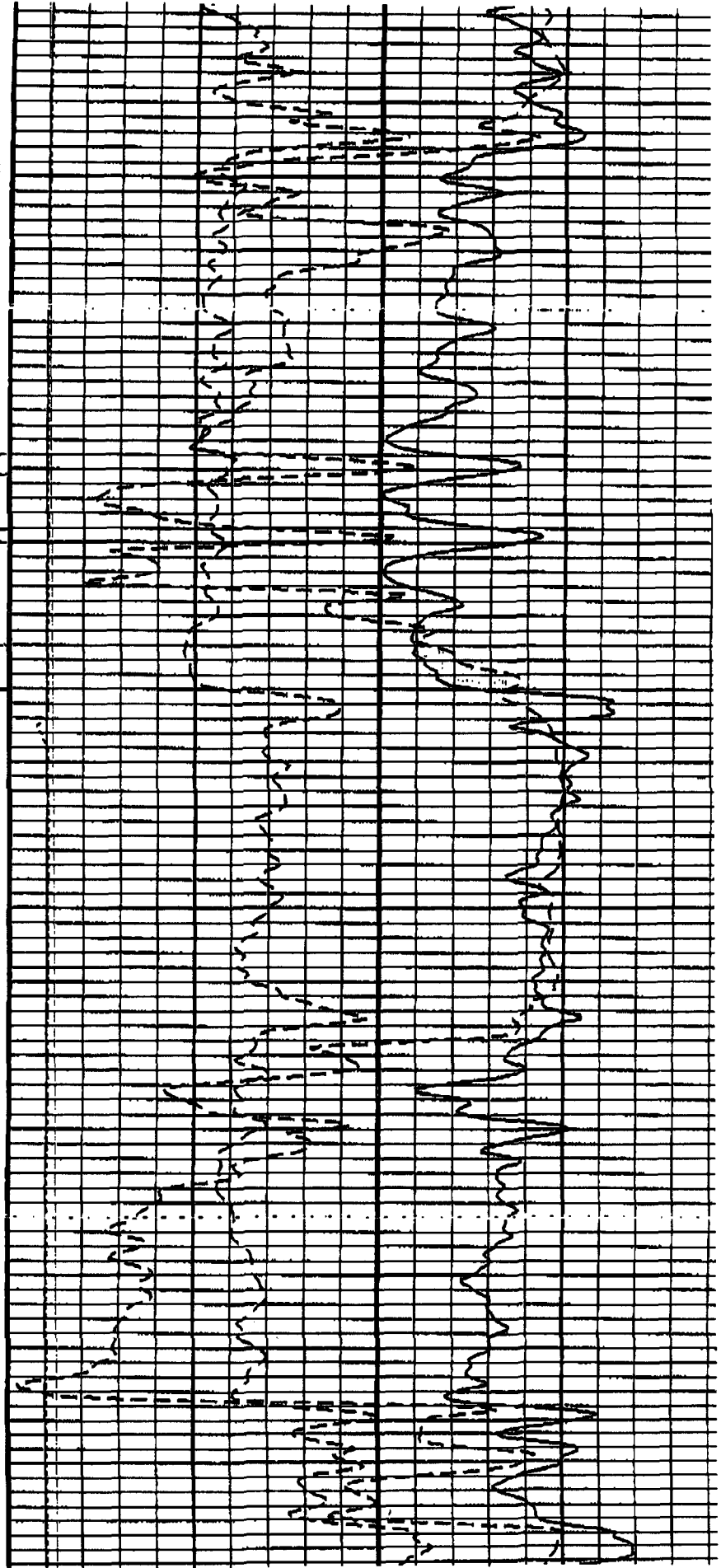
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12100

12200



TRANSACTION REPORT

P. 01

JUN-01-2004 TUE 11:33 AM

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DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-01	11:32 AM	15057484585	51"	4	RECEIVE	OK		