

10-27-04 DATE IN		Jones ENGINEER	10-27-04 LOGGED IN	DHC TYPE	PSEM0430/48761 APP NO.
---------------------	--	-------------------	-----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



DCD

Skaggs BES State Com #1

30-025-36729

### 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

10/22/04

Print or Type Name

Signature

Title

Date

e-mail Address

District II  
811 South First Street, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

APPLICATION TYPE

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco  
Santa Fe, New Mexico 87505

X Single Well

District IV  
2040 South Pacheco, Santa Fe, NM 87505

## APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE  
  X   Yes        No

Yates Petroleum Corporation	105 South Fourth Street
Operator	Address

Lease	Well No.	Unit	Letter	Section	Township	Range	County
Skaggs BES State Com	1	G	15	10S	34E		Lea

OGRID No. 025575 Property Code \_\_\_\_\_ API No. 30-025-36729 Lease Type    Federal   X   State    Fee

DATA ELEMENT	UPPER ZONE UNDERS,	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Lane Abo Southeast <i>OK</i>		Wildcat Atoka <i>Go</i>
Pool Code	<i>36676</i>		<i>—</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9004-9055'		11865-11911'
Method of Production (Flowing or Artificial Lift)	Not Yet Completed		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		SI
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: Rates:		Date: 10/19/04 Rates: 0 BOPD 0 BWPD 346 MCFD
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  To be determined on Completion	Oil Gas  % %	Oil Gas  To be determined on completion of Abo zone

### 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 \_\_\_\_\_ 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 X 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 : October 22, 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

October 22, 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 Lane Abo Southeast and the Wildcat Atoka pools in our Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 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 cursive script that reads 'Sam Brandon'.

Sam Brandon  
Operations Engineer

SB/cm

Enclosures

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

October 22, 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 Lane Abo Southeast and the Wildcat Atoka pools in our Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 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

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

October 22, 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 Skaggs BES State Com No. 1 located in Unit G of Section 15, Township 10 South, Range 34 East, Lea County.

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

Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'. The signature is written in a cursive, flowing style.

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**

<sup>1</sup> API Number <b>30-025-36729</b>		<sup>3</sup> Pool Name <b>Lane Abo Southeast</b>	
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Skaggs BES 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>4193'</b>

<sup>10</sup> Surface Location

UL or lot no. <b>G</b>	Section <b>15</b>	Township <b>10S</b>	Range <b>34E</b>	Lot Idn	Feet from the <b>1760</b>	North/South line <b>North</b>	Feet from the <b>1980</b>	East/West line <b>East</b>	County <b>Lea</b>
---------------------------	----------------------	------------------------	---------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	----------------------

<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 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>10/22/04</u>	
	<sup>18</sup> 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	

Production curves for the wells are not attached since the Atoka is a new completion. Allocation will be submitted on completion of Abo zone.

**District I**

1625 N. French Dr., Hobbs, NM 88240

**State of New Mexico**

Energy, Minerals &amp; Natural Resources Department

Form C-102

Revised August 15, 2000

**District II**

811 South First, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

Submit to Appropriate District Office

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.

State Lease - 4 Copies

Santa Fe, NM 87505

Fee Lease - 3 Copies

**District IV**

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

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-36729</b>		<sup>3</sup> Pool Name <b>Wildcat Atoka</b>	
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Skaggs BES 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>4193'</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
<b>G</b>	<b>15</b>	<b>10S</b>	<b>34E</b>		<b>1760</b>	<b>North</b>	<b>1980</b>	<b>East</b>	<b>Lea</b>

<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> <b>OPERATOR CERTIFICATION</b> 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>10/22/04</u>



The Lane Abo Southeast completion is a new zone and production curves are not available.

**Jones, William V**

---

**From:** Sam Brandon [sbrandon@ypcnm.com]  
**Sent:** Wednesday, November 03, 2004 10:46 AM  
**To:** wvjones@state.nm.us  
**Subject:** Skaggs ownership

Rob assured me that the ORRI and WI ownership in the two state leases is the same.

Sam Brandon  
Yates Petroleum Corp.

(505) 748-4281

---

This email has been scanned by the MessageLabs Email Security System.  
For more information please visit <http://www.messagelabs.com/email>

---

11/3/2004