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PEngineering Bureau 1220 South St. Francis Drive, Santa Fe, NM 87805         ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION NULLS AND RECOLLATIONS Witch Redouced The Division Nulls IN SANTA FE Number Accounts Witch Redouced The Division Nulls IN SANTA FE Division Accounts Number Accounts (Not Accounts)         PischesckList is MANADORY (Sea ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION NULLS AND RECOLLATIONS Witch Redouced and State International State International State International PischesckList is MANADORY (Sea ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION NULLS AND RECOLLATIONS Witch Redouced International INTERNATIONAL INTERNATIONAL INTERNATIONAL INTERNATIONAL PischesckList International Internatinternatinteneo International Internationa Internation		ABOVE THIS L		· · · · · · · · · · · · · · · · · · ·
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Application Acronyms:         PisL-Non-Standard Location [NSP-Hon-Standard Proration Unit] [SD-Simultaneous Bedication]         [Pic-Downhole Commingling] [CTB-Lease Commingling]         [Pic-Downhole Commingling]         [SWD-Sait Water Disposal]         [BWD-Sait Water Disposal]         [Conqualitied Enhanced Dil Recovery Certification]         [PPR OF APPLICATION - Check Those Which Apply for [A]         [A]       Location - Spacing Unit - Simultaneous Dedication         [B]       Comparinging - Storage - Measurement         [C]       Injection - Disposal - Pressure Increase - Enhanced Oil Recovery         [B]       Other: Specify         [D]       Other: Specify         [D]       Other: Specify         [B]       Offset Operators, Leaseholders or Surface Owner         [C]       Application is One Which Requires Published Legal Notice         [P]       Values wave Attached         [3]       SUBMIT ACCURATE AND COMPLETE INFORMAT		ADMINISTRATIVE A	PPLICATION CHECKL	IST
PISL.Non-Standard Location] [PISP-Hon-Standard Proration Unit] [SD-Simultaneous Bedication] [Pit-Downhole Commingling] [CIS-Lease Commingling] [PL-PoolLease Commingling] [Pit-Downhole Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement] [SMD-Sait Water Disposal] [PHA;Pressure Mainteanance Expansion] [SMD-Sait Water Disposal] [PHA;Pressure Mainteanance Expansion] [A Location - Spacing Unit - Simultaneous Dedication [A] Location - Spacing Unit - Simultaneous Dedication [B] Commingling - Storage - Measurement] [J' DHC □ CTB PLC □ PC □ OLS □ OLM         [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [] WFX □ PMX □ SWD □ PI □ BOR □ PPR         [D] Other: Specify		WHICH REQUIRE PROCESSIN	PLICATIONS FOR EXCEPTIONS TO DIVISION G AT THE DIVISION LEVEL IN SANTA FE	N RULES AND REGULATIONS
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<ul> <li>[B] Companying Storage - Measurement</li> <li>[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery</li> <li>[C] MFX PMX SWD PPI EOR PPR</li> <li>[D] Other: Specify</li> <li>[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply</li> <li>[A] Working, Royalty or Overriding Royalty Interest Owners</li> <li>[B] Offset Operators, Leaseholders or Surface Owner</li> <li>[C] Application is One Which Requires Published Legal Notice</li> <li>[D] Notification and/or Concurrent Approval by BLM or SLO</li> <li>U.S. Burseu of Land Management - Commissioner of Public Lands, State Land Office</li> <li>[E] For all of the above, Proof of Notification or Publication is Attached, and/or,</li> <li>[F] Waivers are Attached</li> <li>[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.</li> <li>[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.</li> </ul>		Location - Spacing Unit - Simul	taneous Dedication	
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	Print or Type Name	Signature	Title	Date

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e-mail Address

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MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

RECEIVED

AUG 1 - 2005

OIL CONSERVATION

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

July 26, 2005

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 Wildcat Strawn pools in our Dempster State Unit No.2 located in Unit L of Section 31, Township 11 South, Range 36 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

Enclosures

The Wildcat Atoka and Wildcat Strawn are new zones, not yet on production and production curves are not available.

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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 Yates Petroleum Corporation Operator Dempster State Unit	Energy, Minerals and Nat OIL CONSERVA 2040 Sou Santa Fe, New APPLICATION FOR DOW 105 South Add 2 L	Mexico 87505 Mexico 87505 MHOLE COMMINGLING To Fourth Street Aress 31 11S 36E	Lea
Lease	Well No. Unit Letter-	Section-Township-Range	County
OGRID No. 025575 Propert	y Code API No30	0-025-36785 Lease	Type _ Federal <u>X</u> State _ Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Strawn Gas		Wildent-Atoka Qog
Pool Code	9608		97219
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11836'-11923'		11996'-12000'
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)	2482 psi (together w/ Atoka)	NA	2482 psi (together w/ Strawn)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	Shut In		Shut In
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.)	New Zone		New Zone 19 BO, 5 BW, 1332 MCF (Both zones tested together)
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 20% 20%	Oil Gas	Oil Gas 80% 80%

## **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 <u>X</u> Yes	No 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 <u>X</u>
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 inform	nation abore	is true and	complete to the best of my	knowledge and belief.
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<u> </u>	$1 \sim 1$	<b>S</b> .		

SIGNATURE	Jame	oardon	TITLE	<b>Operations</b> Engineer	_DATE :	July 26, 2005
TYPE OR PRINT	AME:	Sam Brandon		TELEPHONE N	NO	(505)-748-4281