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105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 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

December 16, 1997

David Catanach State of New Mexico OIL CONSERVATION DIVISION 2040 S. Pacheco Street Santa Fe, NM 87505-5472

Dear Mr. Catanach,

Enclosed is an APPLICATION FOR DOWNHOLE COMMINGLING, NMOCD Form C-107-A, for the Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy. County, New Mexico. Also enclosed are ATTACHMENTS required by the application.

Yates Petroleum Corporation hereby seeks administrative approval of the application.

If additional information is needed or there are questions, please call me at (505) 748-4174. Thank you for your consideration of this matter.

Sincerely,

Ray Stall Operations Engineer

RS/th

Enclosures



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

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

December 16, 1997

Tim Gum State of New Mexico OIL CONSERVATION DIVISION 811 South First Street Artesia, NM 88210

Dear Mr. Gum,

Enclosed is an APPLICATION FOR DOWNHOLE COMMINGLING, NMOCD Form C-107-A, for the Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy County, New Mexico. Also enclosed are ATTACHMENTS required by the application.

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Ray Štall Operations Engineer

RS/th

Enclosures

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

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

December 16, 1997

Richard Manus Bureau of Land Management P. O. Box 1778 Carlsbad, NM 88220

Dear Mr. Manus,

This letter is to notify you that Yates Petroleum Corporation has applied to the New Mexico Oil Conservation Division for administrative approval of downhole commingling in the Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy County, New Mexico. A copy of the application, NMOCD Form C-107-A, is enclosed.

If you have any questions, or need additional information, please call me at (505) 748-4174.

Sincerely,

Ray Stall

Ray Stall Operations Engineer

RS/th

Enclosures

P.O. Box 1980, Hobbs, NM 88241-1980	Energy, Minerals and N	latural Resources Department	New 3-12-96		
DISTRICT II	OIL CONSERV	ATION DIVISION	APPROVAL PROCESS:		
811 South First St., Artesia, NM 88210-2835		S. Pacheco	X Administrative Hearing		
DISTRICT III	Santa Fe, New	v Mexico 87505-6429	EXISTING WELLBORE		
1000 Rio Brazos Rd, Aztec, NM 87410-1693	APPLICATION FOR DO	DWNHOLE COMMINGLING	<u> </u>		
			<u></u>		
Yates Petroleum Corporation	105 S. Fourth Street	Artesia, NM 88210			
Operator	Address				
Big Freddy Unit	1	G-10-23S-22E	Eddy		
Lease	Weil No.	Unit Ltr Sec - Twp - Rge	County		
OGRID NO. 025575 Property Code	e <u>21717                                  </u>		esse Typez: (check 1 or more) , State, (and/or) Fee		
The following facts are submitted in support of	Upper Zone	Intermediate Zone	Lower Zone		
downhole commingling:		2011E			
1. Pool Name and Pool Code	Undesignated Cisco		Undesignated Strawn		
2. Top and Bottom of Pay Section (Perforations)	7368'-7384'		8671'-8677' 9125'-9199'		
3. Type of production (Oil or Gas)	Gas		Gas		
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing		
5. Bottomhole Pressure	a. (Current) 3117 DST (7332'-7791)	a.	a. (Current) 2196 DST (8660'-8700')		
Oil Zones · Artificial Lift:	a. (3 hour Final SIBHP)		(3 hour Final SIBHP)		
Estimated Current Gas & Oil - Flowing:	b. (Original) p* = 3942 from DST	b.	b. (Original) p*=indeterminate from		
Measured Current All Gas Zones:	Analysis		DST data Estimated 3915		
Estimated Or Measured Original			normal gradient		
6. Oil Gravity ( API) or Gas BTU Content	No Sample	· · · · · · · · · · · · · · · · · · ·	No Sample		
7. Producing or Shut-In?	Shut-In		Shut-In		
Production Marginal? (yes or no)	No		Yes		
* If Shut-In, give date and oil/gas/water rates of	Date: 11-26-97	Date:	Date: 11-23-97 Date: 11-09-97		
last production		Rates:			
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Rates: 1377 MCFGPD 0 BWPD		Rates: 257 MCFGPD Rate: 93 MCFGPD 0 BWPD 0 BWPD		
	0 BOPD		0 BOPD 0 BOPD		
<ul> <li>If Producing, give date and oil/gas/water rates of recent test</li> </ul>	Date:	Date:	Date:		
(within 60 days)	Rates:	Rates:	Rates:		
8. Fixed Percentage Allocation	Oil: Gas:	Oil: Ges:	Oil: Gas:		
Formula -% for each zone (total of %'s to equal 100%)	80% 80%	% %	20% 20%		

State of New Mexico

Earm C 107 A

- 9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
- 10. Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling?

DISTRICT I

- <u>X</u> Yes <u>No</u> Yes No <u>X</u> Yes No
- 11. Will cross-flow occur? \_\_\_Yes X\_No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. \_\_\_ Yes \_\_ No (If No, attach explanation) (See attachment)

Big Freddy Unit #1 Page 2
12. Are all produced fluids from all commingled zones compatible with each other? <u>X</u> Yes <u>No</u> (See attachment)
13. Will the value of production be decreased by commingling?YesX_No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commiss <del>ioner o</del> f Publ <del>ic L</del> ands or the United States Bureau Land Management has been notified in writing of this application. <u>X</u> Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).
<ul> <li>16. ATTACHMENTS:</li> <li>* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.</li> <li>* Production curve for each zone for at least one year. (If not available, attach explanation.)</li> <li>* For zones with no production history, estimated production rates and supporting data.</li> <li>* Data to support allocation method or formula.</li> <li>* Notification list of all offset operators.</li> <li>* Notification list of working, overriding, and royalty interests for uncommon interest cases.</li> <li>* Any additional statements, data, or documents required to support commingling.</li> </ul>
I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Kay Hall TITLE Operations Engineer DATE 12-17-97
TYPE OR PRINT NAME Ray Stall TELEPHONE NO. (505) 748-1471

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District I PO Box 1986, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztoc, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

### State of New Mexico Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		WE	LL LO	CATION	I AND ACI	REAGE DEDI	CATION PI	LAT		
	API Number 'Pool Code 'Pool Name									
30-015-	29734					Un	designated	Strawn		
* Property	Code				' Property	Name			•	Weil Number
21717				B	ig Freddy	Unit				1
'OGRID	No.				<sup>1</sup> Operator Name <sup>*</sup> Elevatio					
025575		Yat	es Pet	roleum	Corporatio	n				4479 <b>'</b>
					<sup>10</sup> Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Fost from the	East/West	t line	County
G	10	235	22E		1980	North	1980	Eas	t	Eddy
			<sup>11</sup> Bot	tom Hole	e Location I	f Different Fro	om Surface	<u></u>		
UL or lot no.	Section	Township	Range	Los Idn	Feet from the	North/South line	Feet from the	East/West	t line	County
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Certificate Number

Production curves for each zone are not available.

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. . . District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

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		WE	ELL LO	CATION	AND AC	REAGE DEDI	CATION PI	LAT			
API Number <sup>1</sup> Pool Code <sup>1</sup> Pool							' Pool N	4000			
30-015-	29734	Undesignated Cisco									
* Property	Code		<sup>3</sup> Property Name * Well Number							Well Number	
21717		Big Freddy Unit 1						1			
'OGRID								' Elevation			
025575		Ya	tes Pet	roleum	Corporatio					4479'	
<sup>10</sup> Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	e North/South line Feet from the		East/West line		County	
G	10	23S	22E		1980	North	1980	East		Eddy	
			<sup>11</sup> Bot	tom Hole	Location	If Different Fro	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	t line	County	
<sup>12</sup> Dedicated Acr	es 's Joint	or Infill 14	Consolidatio	a Code 15 Or	rder No.						
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Production curves for each zone are not available.

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# <u>YATES PETROLEUM CORPORATION</u> <u>APPLICATION FOR ADMINISTRATIVE APPROVAL</u> <u>DOWNHOLE COMMINGLING</u> <u>BIG FREDDY UNIT #1</u> <u>EDDY COUNTY, NEW MEXICO</u>

Richard Manus Bureau of Land Management P. O. Box 1778 Carlsbad, NM 88220

Nearburg Exploration Company P. O. Box 841585 Dallas, TX 75284-1585

Chi Energy, Inc. P. O. Box 1799 Midland, TX 79702

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Louis Dreyfus Natural Gas Corp. 14000 Quail Springs Parkway Suite 600 Oklahoma City, OK 73134

Southwest Royalties, Inc. P. O. Drawer 11390 Midland, TX 79702

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105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 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

. .

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December 16, 1997

Nearburg Exploration Company P. O. Box 841585 Dallas, TX 75284-1585

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy County. Please find attached application. This will serve as notification to any offset operators and interest owners.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-4174.

Sincerely,

Ray Hill

Ray Stall Operations Engineer



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December 16, 1997

Chi Energy, Inc. P. O. Box 1799 Midland, TX 79702

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December 16, 1997

Louis Dreyfus Natural Gas Corp. 14000 Quail Spring Parkway Suite 600 Oklahoma City, OK 73134

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December 16, 1997

Southwest Royalties, Inc. P. O. Drawer 11390 Midland, TX 79702

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Sincerely,

Ray Hall

Ray Stall Operations Engineer