

DHC

6/27/00

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



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

June 2, 2000

2769

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

OIL CONSERVATION DIV
00 JUN - 7 AM 8:50

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle production from the Townsend Upper Permo Penn and the NW Shoebar Strawn pools in the Big Flat ASN State #2 well, located in Unit P of Section 10, Township 16 South, Range 35 East, Lea County, New Mexico.

Enclosed is the necessary NMOCD Form C-107 with attachments.

If you have any questions or need additional information, please contact me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/sd

Enclosures

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE
X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation		105 S. 4th Street, Artesia, NM 88210	
Operator		Address	
Big Flat ASN State	2	P 10 - 16S - 35E	Lea
Lease	Well No.	Unit Ltr.-Sec-Twp-Rge	County
Specing Unit Lease Types: (check 1 or more)			
OGRID NO.	Property Code	API NO.	Federal State (and/or) Fee
025575	25143	30-025-34792	X

The following facts are submitted in support of downhole commingling	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Townsend Permo Upper Penn 59847		Shoebar Strawn, Northwest 56280
2. Top and Bottom of Pay Section (Perforations)	10,884 - 10,894'		11,304-11,321'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a. (Current)	a. (Current) BHP not available FTP 325 psi on 5/9/00
Oil Zones - Artificial Lift: Estimated Current	Not perforated yet		
Gas & Oil - Flowing: Measured Current	b. (Original)	b. (Original)	b. (Original)
All Gas Zones: Estimated or Measured Original	4766 psi from DST 10,879-10,915'		3985 psi on 3/2/00
6. Oil Gravity (EAPI) or Gas BTU Content	44.5° API		45° API
7. Producing or Shut-In?	Not perforated yet		Producing
Production Marginal? (yes or no)	No		No
* If Shut-In, give date and oil/gas/water rates of last production	Date: Estimated Rates: 200 BOPD, 400 MCFD, 0 BWPD	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Attachment A		
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 5/9/00 Rates: 223 BOPD, 550 MCFD, 210 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % Attachment B	Oil: % Gas: %	Oil: % Gas: % Attachment B

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? X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? X 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 C.
12. Are all produced fluids from all commingled zones compatible with each other? X Yes No
13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of the application. X Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication. - Attachment D (2 pages)
* Production curve for each zone for at least one year. (If not available, attach explanation.) - Attachment E (2 pages)
* For zones with no production history, estimated production rates and supporting data. - Attachment A (3 pages)
* Data to support allocation method or formula. - Attachment B (1 page)
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, date, or documents required to support commingling.

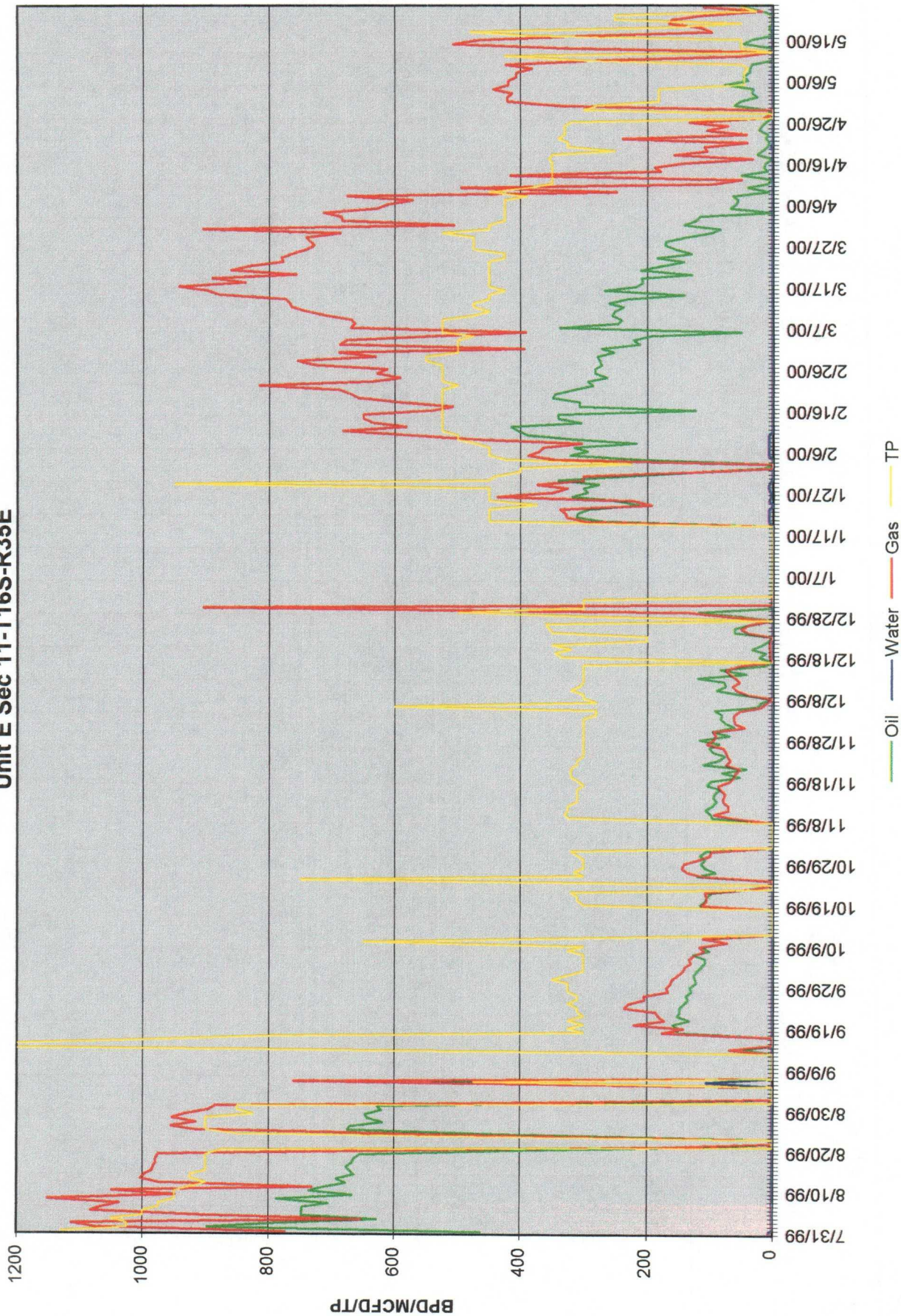
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Albert R. Stall TITLE Operations Engineer DATE _____
TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174

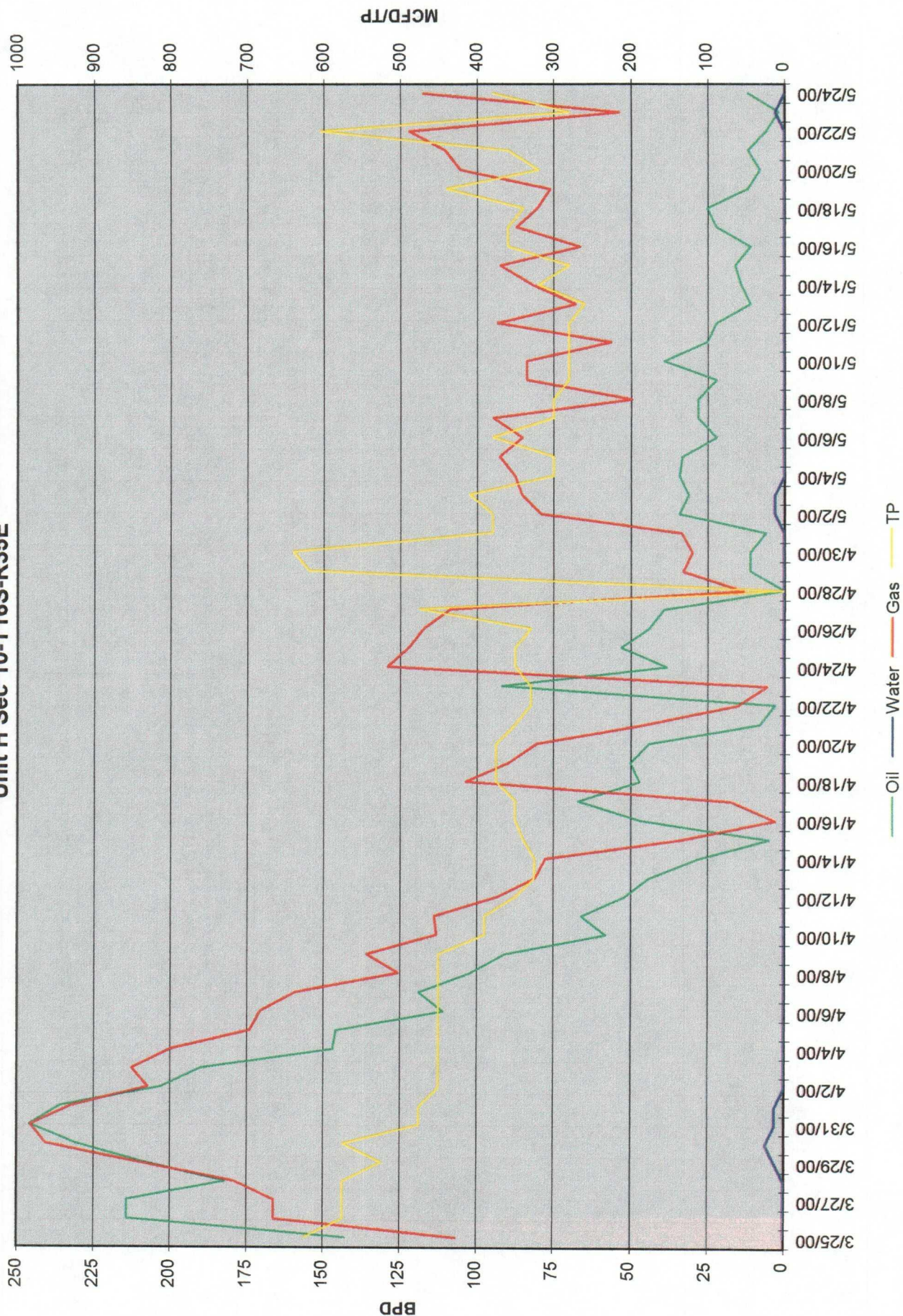
Attachment A
(Page 1 of 3)

Estimated upper zone (Townsend Upper Permo Penn) production is based on production from other nearby Yates Petroleum Corporation wells producing from this formation. These wells are the Shell Lusk ANB Com #2 and the Brunson AQK State #2. Daily production plots for both wells are attached.

SHELL LUSK ANB COM #2
Cisco (Townsend Permo Upper Penn) Daily Production
Unit E Sec 11-T16S-R35E



BRUNSON AQK STATE #2
Cisco (Townsend Permo Upper Penn) Daily Production
Unit H Sec 10-T16S-R35E



Attachment B
(Page 1 of 1)

A fixed percentage allocation formula based on production rates will be submitted for approval after production testing the upper zone (Townsend Upper Permo Penn) before commingling the two zones.

Attachment C
(Page 1 of 1)

Cross-flow should not occur under producing conditions. Fluids are compatible and formation damage will not occur. The allocation formula will be reliable, and the commingling will not result in the permanent loss of reserves due to cross-flow in the wellbore.

Commingling will not jeopardize the efficiency of future secondary operations in either of the pools being commingled.

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34792	Pool Code 56280	Pool Name Northwest Shoebar Strawn
Property Code 25143	Property Name BIG FLAT "ASN" STATE	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3990

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	16S	35E		330	SOUTH	330	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Ken Beardemphl</u> Printed Name <u>Ken Beardemphl</u> Title <u>Landman</u> Date <u>December 10, 1999</u>
				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 Surveyed <u>12/08/1999</u> Signature & Seal of Professional Surveyor <u>3640</u> Certificate No. <u>12708/1999</u> BIG FLAT 2 DISK 19 GENERAL SURVEYING COMPANY
			B-10629 N. 32°55'49.6" W. 103°26'16.8" 330° 330	

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

Attachment D (Page 2 of 2)
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34792		2 Pool Code 59847		3 Pool Name Townsend Permo Upper Penn	
4 Property Code 25143		5 Property Name Big Flat ASN State			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3990

10 Surface Location

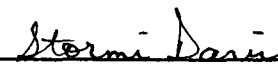
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	16S	35E		330	South	330	East	Lea

11 Bottom Hole Location If Different From Surface

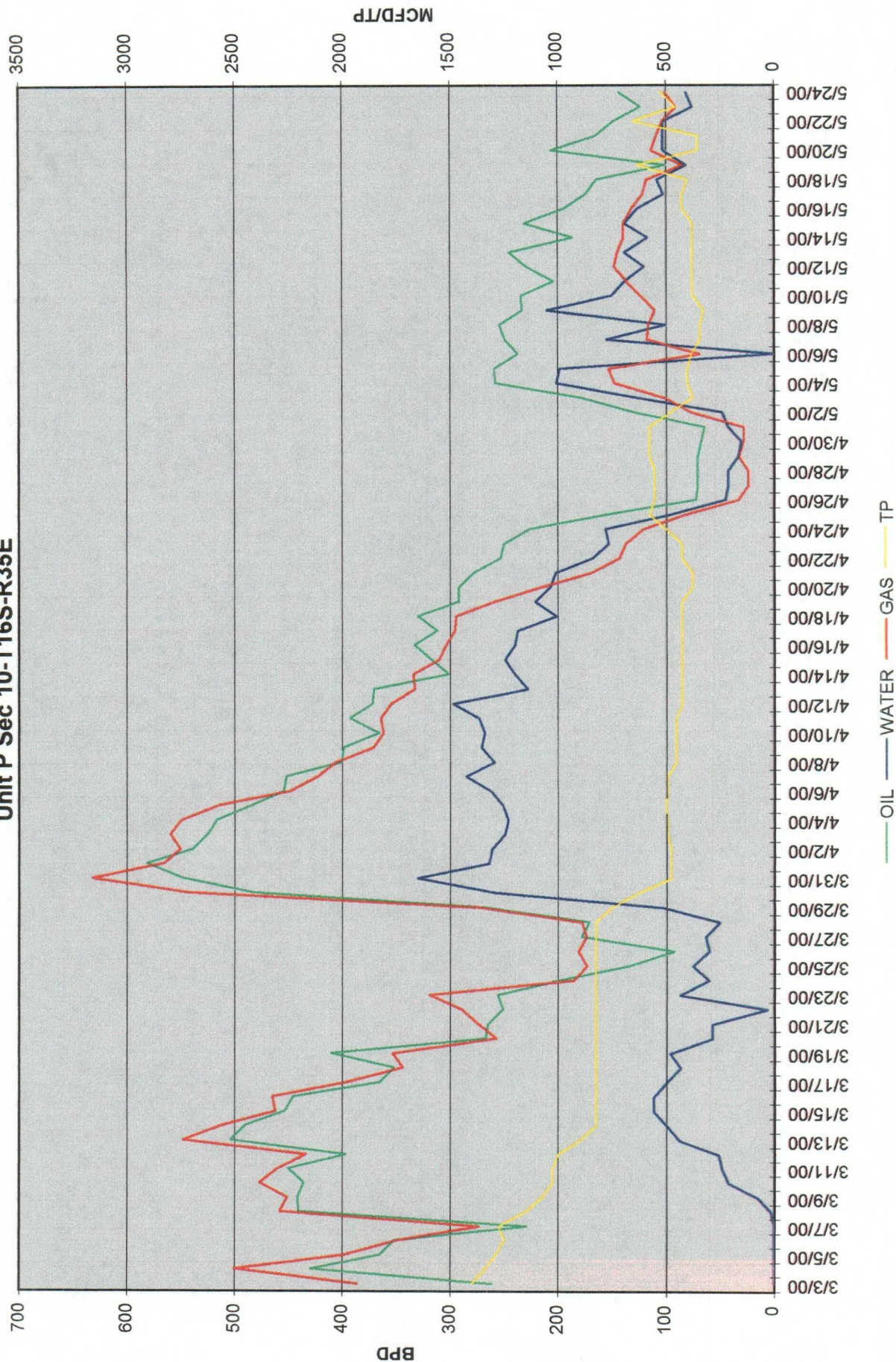
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Stormi Davis Printed Name Operations Technician Title June 2, 2000 Date
					18 SURVEYOR CERTIFICATION <i>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.</i> REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

BIG FLAT ASN STATE #2
Shoebar Strawn, NW Daily Production
Unit P Sec 10-T16S-R35E



Attachment E
(Page 2 of 2)

The upper zone (Townsend Upper Permo Penn) has not been completed yet. Daily production plots (Attachment A) for two nearby Yates petroleum Corporation wells are attached to provide an estimate of expected production from the zone.

DHC-2769



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

6/21/00

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____X_____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<u>Yates Petroleum Corp</u>				<u>Big Flat ASN State</u>	<u># 2-P-10-165-352</u>
Operator	Lease & Well No.	Unit	S-T-R		
				<u>30-025-34792</u>	

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Supervisor, District 1

/ed