

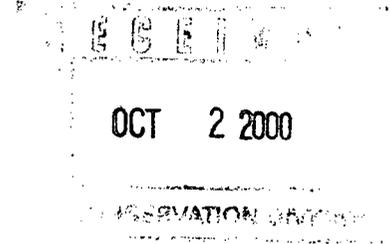
MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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

September 28, 2000



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

Re: Patterson EL #3  
Unit P, Sec. 31-T17S-R26E  
Eddy County, New Mexico

Dear Mr. Catanach,

Yates Petroleum Corporation sent in an application for approval to downhole commingle on September 26, 2000, for the referenced well.

Enclosed is an amended commingling application with the current production and fixed allocation percentage for your review. If you have any questions or need additional information, please call me at (505) 748-4219. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James M. Hill'.  
James M. Hill  
Operations Engineer

JMH/th

Enclosures

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

2009

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street, Artesia, NM 88210  
Operator Address

Patterson EL 3 P 31 - 17S - 26E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 12628 API No. 30-015-30909 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesignated Canyon		Undesignated Strawn
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7,744'-7,782'		7,952'-8,094'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1123 BTU		1167 BTU
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.)	Date: 9/15/00 Rates: 1 bopd 240 mcf 1 bwpd	Date: Rates:	Date: 9/6/00 - 9/11/00 Rates: 0 bopd 60 mcf 0 bwpd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 100% Gas 80%	Oil % Gas %	Oil 0% Gas 20%

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 James M. Hill TITLE Operations Engineer DATE 9-28-00

TYPE OR PRINT NAME James M. Hill TELEPHONE NO. (505) 748-4219

DHC 10/18/00  
29337559

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



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

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DENNIS G. KINSEY  
TREASURER

September 26, 2000

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

OIL CONSERVATION DIV.  
00 SEP 28 AM 3:34

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Canyon and Undesignated Strawn pools in our Patterson EL #3 located in Unit P of Section 31, Township 17 South, Range 26 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219. Thank you.

Sincerely,

*James M. Hill*  
James M. Hill  
Operations Engineer

JMH/th

Enclosures

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
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SECRETARY  
DENNIS G. KINSEY  
TREASURER

September 26, 2000

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

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Canyon and Undesignated Strawn pools in our Patterson EL #3 located in Unit P of Section 31, Township 17 South, Range 26 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219.  
Thank you.

Sincerely,

  
James M. Hill  
Operations Engineer

JMH/th

Enclosures

District I  
1625 N. French Drive, Hobbs, NM 88240

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811 South First Street, Artesia, NM 88210

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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, Artesia, NM 88210  
Operator Address

Patterson EL 3 P 31 - 17S - 26E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 12628 API No. 30-015-30909 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesignated Canyon		Undesignated Strawn
Pool Code			
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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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1123 BTU		1167 BTU
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.)	Date: Rates:	Date: Rates:	Date: Rates:
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 %	Oil %      Gas %	Oil %      Gas %

**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.)
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- 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:

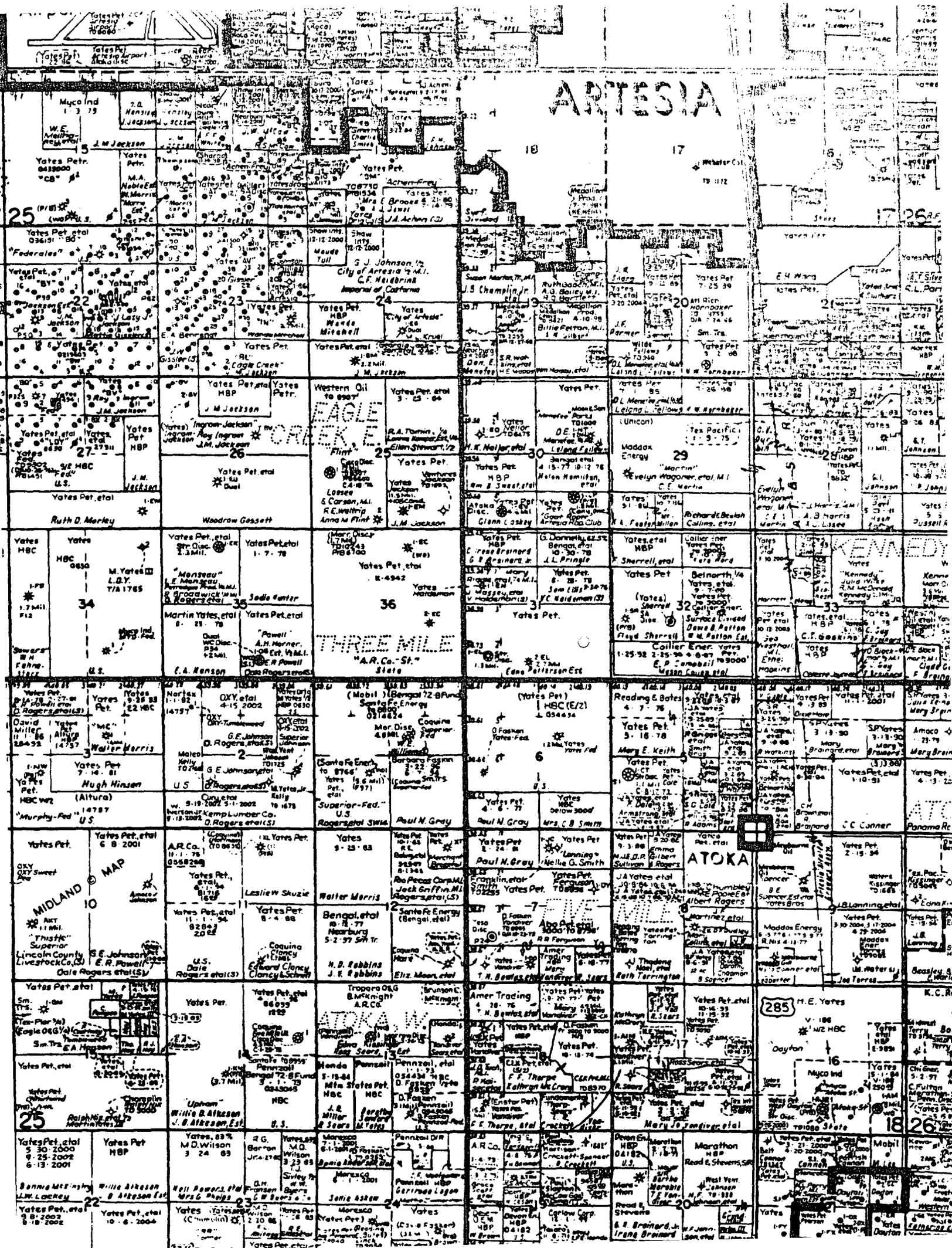
- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE James M. Hill TITLE Operations Engineer DATE 9-26-00

TYPE OR PRINT NAME James M. Hill TELEPHONE NO. (505) 748-4219

# ARTESIA



**EAGLE CREEK**

**KENNEDY**

**ATOKA**

**MIDLAND MAP**

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The Undesignated Canyon is a new zone and production curves are not available.

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

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

API Number 30-015-30909		Pool Code	Pool Name Undesignated Canyon
Property Code 12628	Property Name Patterson EL		Well Number 3
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3407'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	31	17S	26E		990	South	990	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres	<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

16					<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Tina Huerta</i>          Signature          Tina Huerta          Printed Name          Operations Technician          Title          9/26/00          Date</p>
					<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><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></p> <p>REFER TO ORIGINAL PLAT          Date of Survey          Signature and Seal of Professional Surveyor:</p>
					Certificate Number

The Undesignated Strawn is a new zone and production curves are not available.

District I  
 PO Box 1900, Hobbs, NM 88241-1900  
 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

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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

Form C-101  
 Revised February 10, 199-  
 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 APT Number 30-015-30909		2 Pool Code		3 Pool Name Undesignated Strawn	
4 Property Code 12628		5 Property Name Patterson EL			6 Well Number 3
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3407'

10 Surface Location

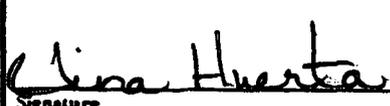
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	17S	26E		990	South	990	East	Eddy

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16	17 OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
	 Signature Tina Huerta Printed Name Operations Technician Title 9/26/00 Date		
	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.			
REFER TO ORIGINAL PLAT			
Date of Survey			
Signature and Seal of Professional Surveyor:			
Certificate Number			

**YATES PETROLEUM CORPORATION**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**OWNERS OF INTEREST**  
**PATTERSON EL #3**  
**EDDY COUNTY, NEW MEXICO**

Nathan Hugh Patterson  
2563 Hill Park Drive  
San Jose, CA 95124

Guy Matthew  
710 NW 58<sup>th</sup> Street  
Oklahoma City, OK 73118

MARTIN YATES, III  
1912 - 1985  
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1936 - 1986



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TREASURER

September 26, 2000

Nathan Hugh Patterson  
2563 Hill Park Drive  
San Jose, CA 95124

Dear Mr. Patterson,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Patterson EL #3 located in Unit P of Section 31, Township 17 South, Range 26 East, Eddy County. Please find a copy of the application enclosed. This will serve as notification to owners with an interest in the well.

Should you have any questions, or need additional information, please call me at (505) 748-4219.

Sincerely,

  
James M. Hill  
Operations Engineer

JMH/th

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DENNIS G. KINSEY  
TREASURER

September 26, 2000

Guy Matthew Walley  
710 NW 58<sup>th</sup> Street  
Oklahoma City, OK 73118

Dear Mr. Walley,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Patterson EL #3 located in Unit P of Section 31, Township 17 South, Range 26 East, Eddy County. Please find a copy of the application enclosed. This will serve as notification to owners with an interest in the well.

Should you have any questions, or need additional information, please call me at (505) 748-4219.

Sincerely,

  
James M. Hill  
Operations Engineer

JMH/th