DHC 3/12/01

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

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

February 15, 2001

FEB 2 0

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Pecos Slope Abo, Undesignated Penn and Undesignated Mississippian pools in our Sandlewood AEW State #2 located in Unit E of Section 31, Township 8 South, Range 27 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182. Thank you for your consideration of this request.

Sincerely,

Games W. Pringle
Operations Engineer

JWP/th

Enclosures

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



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TREASURER

February 15, 2001

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

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Pecos Slope Abo, Undesignated Penn and Undesignated Mississippian pools in our Sandlewood AEW State #2 located in Unit E of Section 31, Township 8 South, Range 27 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182. Thank you for your consideration of this request.

Sincerely,

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TREASURER

February 15, 2001

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 Sandlewood AEW State #2.

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

Sincerely,

Games W. Pringle
Operations Engineer

ame W. Pringle

JWP/th

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised May 15, 2000

District II

811 South First Street, Artesia, NM 88210

District III

District IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

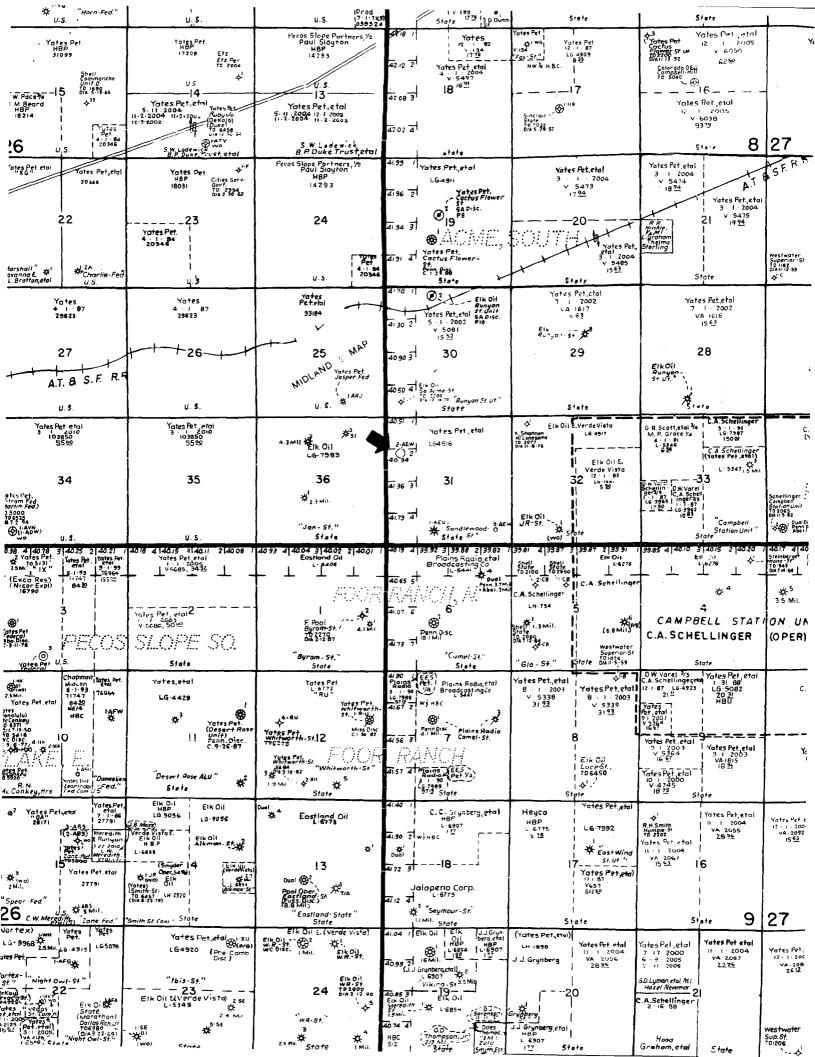
2040 South Pacheco Santa Fe, New Mexico 87505

APPLICATION TYPE X Single Well Establish Pre-Approved Pools
EXISTING WELLBORE
__X_Yes ___No

APPLICATION FOR DOWNHOLE COMMINGLING

Sandlewood AEW State 2 D 31 - 8S - 27E Chaves Lease Well No. Unit Letter-Section-Township-Range County OGRID No. 025575 Property Code 12717 API No. 30-005-63281 Lease Type: Federal X State Fee DATA ELEMENT UPPER ZONE INTERMEDIATE ZONE LOWER ZONE								
DATA ELEMENT UPPER ZONE INTERMEDIATE ZONE LOWER ZONE								
Pool Name Pecos Slope Abo Undesignated Penn Undesignated Mississippian								
Pool Code 82730 Und Foor Kand He-Hermian Cen 76								
Top and Bottom of Pay Section (Perforated or Open-Hole Interval) 4,745'-5,141' 6,230'-6,288' 6,300'-6,394'								
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) 1065 BTU 1050 BTU 1050 BTU								
Producing, Shut-In or Producing Producing Producing Producing								
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: 02/12/01 Rates: 0 bwpd Rates: 0 bwpd 150 mcfpd 0 bopd Date: 01/03/01 Rates: 0 bwpd 175 mcfpd 0 bopd 0 bopd Date: 12/19/00 Rates: 0 bwpd 175 mcfpd 0 bopd								
Fixed Allocation Percentage (Note: If allocation is based upon something other) Oil Gas Oil Gas								
than current or past production, supporting data or explanation will be required.) % 35% % 35%								
ADDITIONAL DATA								
Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No								
Are all produced fluids from all commingled zones compatible with each other? Yes X No								
Will commingling decrease the value of production?								
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 DATE February 15, 2001								
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182								

TELEPHONE NO. (505) 748-4182



District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-9719 District III 1000 Rio Brazos Rd., Azzec, NM 87440

PO Box 2088, Santa Fe, NM 87504-2088

API Number

District IV

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, 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

30-005-63281			i	82730					Pecos Slope Abo				
⁴ Property Code			Property Name						* Weil Number				
12717				Sandlewood AEW State						2			
OGRID N				1 Operator	Name				' Elevation				
025575	Ya	tes Pet	es Petroleum Corporation							3975'			
					10 Surface	Location							
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/Seath Eas	Feet f	rom the	East/West	line	County		
E	31	8S	27E		1500	North	66	0	West		Chaves		
11 Bottom Hole Location If Different From Surface													
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Foct (rom the	East/West	line	County		
			1				}						
12 Dedicated Acr	taiol ⁽¹⁾	or lafu '	Consolidation	a Code 15	Order No.		- 				<u> </u>		
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		OR A	NON-ST	ANDARI	UNIT HAS B	EEN APPROVE	BYT	HE DIV	SION				
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The Pecos Slope Abo pool not produced, there will be no production curve for this zone.

PO Box 1986, Hobbs, NM 88241-1986 PO Drawer DD, Artesia, NM \$8211-9719 District III

1000 Rio Brazos Rd., Aztec, NM 27419

State of New Mexico
Energy, Minerais & Natural Resources Department

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

Form C-101 Revised February 10, 199-Instructions on back

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WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 'Pool Code 'Pool Name Undesignated Penr Property Code Sandlewood AEW State OGRID No. Operator Name 12717 Sandlewood AEW State O25575 Yates Petroleum Corporation 10 Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/Seeth line Feet from the East/West	* Weil Number 2 * Elevation			
30-005-63281 'Property Code 12717 Sandlewood AEW State 'OGRID No. O25575 Yates Petroleum Corporation 10 Surface Location UL or lot no. Section Township Range Lot Ida Foot from the North/South line Foot from the East/Wes	* Weil Number 2 * Elevation			
'Property Code 12717 Sandlewood AEW State 'OGRID No. Operator Name 025575 Yates Petroleum Corporation 10 Surface Location UL or lot no. Section Township Range Lot Ida Foot from the North/South line Foot from the East/Wes	* Weil Number 2 * Elevation			
12717 Sandlewood AEW State 'OGRID No. 'Operator Name 025575 Yates Petroleum Corporation 10 Surface Location UL or lot no. Section Township Range Lot Ida Foot from the North/South line Foot from the East/Wes	2 * Elevation			
'Operator Name O25575 Yates Petroleum Corporation Surface Location UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/Wes	' Elevation			
O25575 Yates Petroleum Corporation 10 Surface Location TL or lot no. Section Township Range Lot Ida Fost from the North/South East Fost from the East/Wes				
10 Surface Location The or lot no. Section Township Range Lot Ida Fost from the North/South fine Feet from the East/Wes				
III or lot no. Section Township Range Lot Ida Fost from the North/South line Fost from the East/Wes	3975'			
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E 31 8S 27E 1500 North 660 Wes	chaves			
11 Bottom Hole Location If Different From Surface	···			
UL or lot no. Section Township Range Lot Idm Feet from the North/South line Feet from the East/Wes	st line County			
Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.				
320				
I hereby certify that the is	17 OPERATOR CERTIFICAT I hereby certify that the information contained her true and complete to the best of my bnowledge and			
	1			
Signature Tina Huerta Printed Name	Tina Huerta			
Operations Territor Title 7-15-01 Date	chnician			
18SURVEYOR	CERTIFICAT			
was plotted from field no me or under my supervisi and correct to the best of	I hereby cerufy that the well location shown on the was plotted from field notes of actual surveys mad me or under my supervision, and that the same is and correct to the best of my bessef.			
REFER TO ORIG				
Signature and Scal of Pro	o(essional Surveyer:			

Certificate Number

The Undesignated Penn pool has not produced, there will be no production curve for this zone.

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AMENDED REPORT

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API Number				¹ Pool Code		³ Pool Name					
30-005-63281		1			Undesigna	ndesignated Mississippian					
* Property Code					1 Property	Name	***************************************	· Wal No			
12717			Sa	EW State		2					
OGRID No.					* Operator	Name		* Elevatio			
025575 Yate			es Pet	roleum	Corporatio	n				3975 '	
023373					10 Surface				<u> </u>		
UL or lot no. Section Township		Range	Lot Ida	Feet from the	North/South Enc	Feet from the	East/West line		County		
Е	31	8S	27E		1500	North	660			Chaves	
11 Bottom Hole Location If Different From Surface									Chaves		
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The Undesignated Mississippian pool has not produced, there will be no production curve for this zone.	

There are no owners other than Yates Petroleum Corporation and its subsidiaries.