

10/5/06
 District I
 1625 N. French Drive, Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

WVS) DHC-3812
 State of New Mexico
 Energy, Minerals and Natural Resources Department

PWTS0629769388
 Form C-107A
 Revised June 10, 2003

Oil Conservation Division
 1220 South St. Francis Dr.
 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 Forth Street, Artesia, NM 88210 DHC-3812

Operator Address
 Sober BEZ Federal #1 Unit J - Section 35 - 20S-29E Eddy
 Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 051178 API No. 30-015-34334 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<u>WILDCAT STRAIN CO2</u>	<u>WILDCAT</u>	<u>GOLDEN LANE</u>
Pool Name	Burton Flat; Strawn, East (Gas)	Golden Lane; Atoka (Gas)	Scanlon; Morrow (Gas)
Pool Code	73200	77520 ✓	77560 <u>77520</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,826-11,216'	11,352-11,856'	12,006-12,096'
Method of Production (Flowing or Artificial Lift)	Flowing	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)			
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: New Zone Rates:	Date: New Zone 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 Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed

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 _____ TITLE Operations Engineer DATE _____
 TYPE OR PRINT NAME Mike Hill TELEPHONE NO. (505) 748-4219
 E-MAIL ADDRESS mhill@ypcnm.com

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-034334		² Pool Code 73200		³ Pool Name Burton Flat; Strawn, East (Gas)	
⁴ Property Code 12149		⁵ Property Name Sober BEZ Federal			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3318 GR

¹⁰ Surface Location

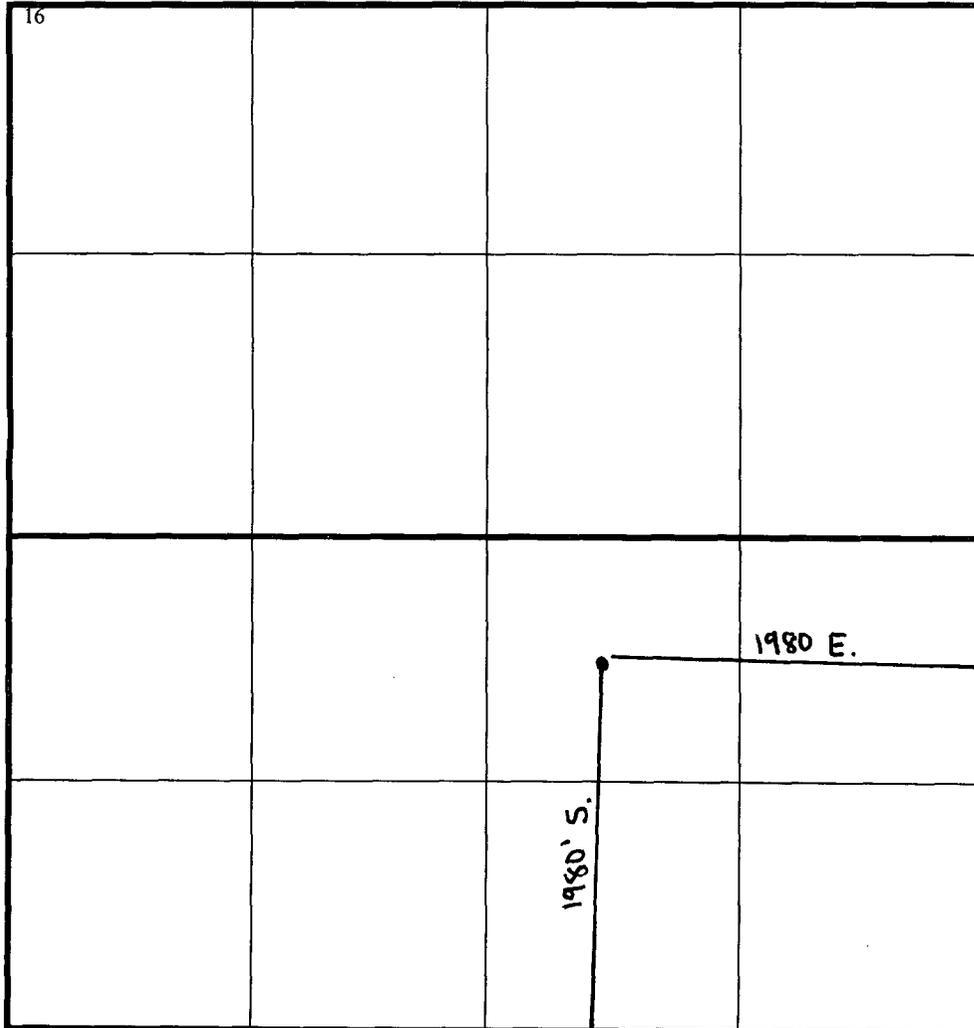
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	20S	29E		1980'	FSL	1980'	FEL	Eddy

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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

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

Debbie Chavez
Signature

Debbie Chavez
Printed Name
Engineering Technician

Title and E-mail Address
10/2/06

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.

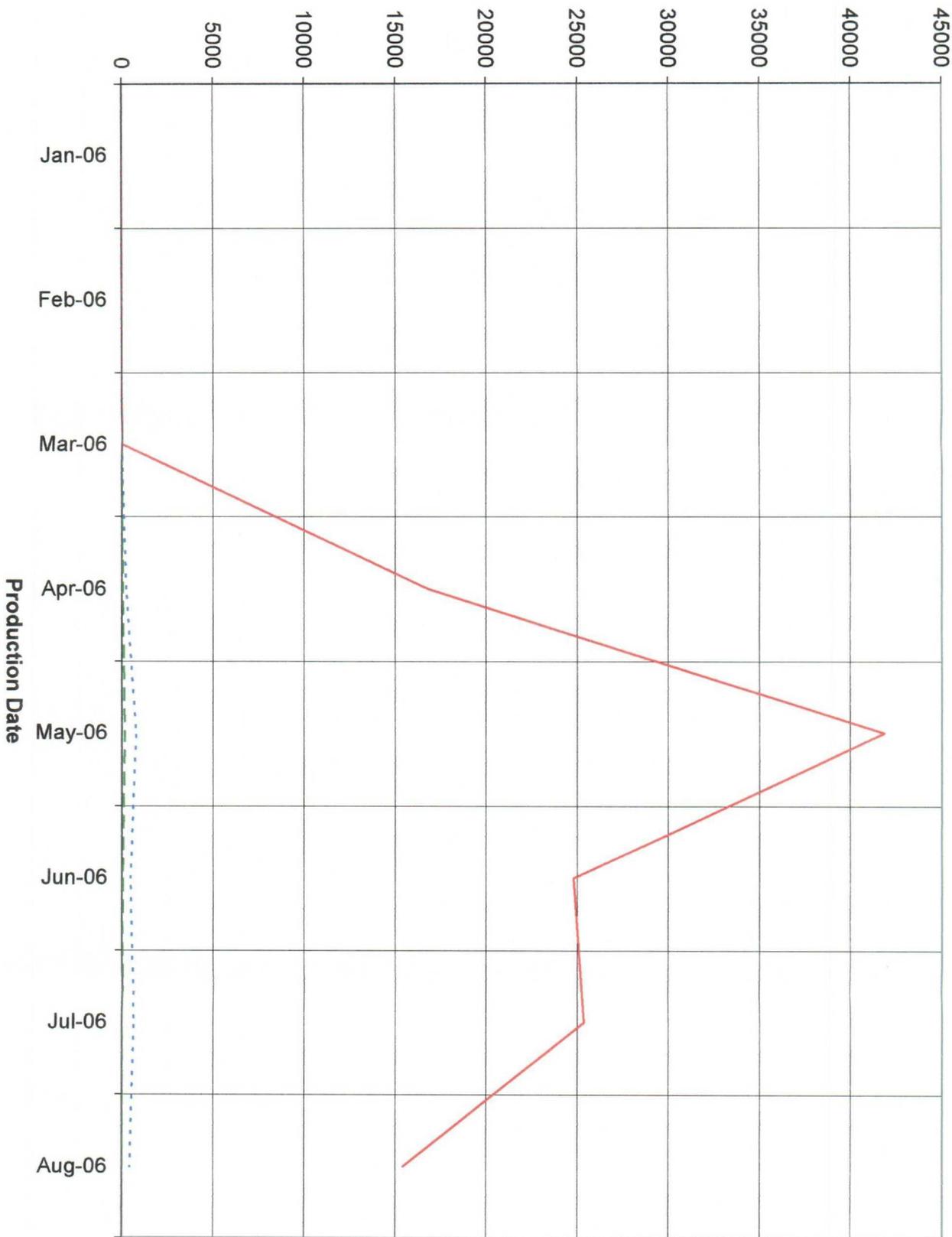
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

SOBER BEZ FEDERAL #1 (051178-001)

Cum Monthly Prod:
Oil = 267
Gas = 124,146
Water = 2,602



--- OIL
--- GAS
... WATER

The Golden Lane; Atoka (Gas) is a new zone and production curves are not available.

The Burton Flat ; Strawn, East (Gas); East is a new zone and production curves are not available.

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
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

October 3, 2006

Will Jones
State of New Mexico
OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: Sober BEZ Federal #1

Dear Mr. Jones,

Enclosed please find a copy of form C-108 (Application for ~~Authority to Inject~~) on Yates Petroleum Corporation Sober BEZ Federal #1 of 5-25S-26E, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosures

2006 OCT 5 PM 2 09