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DHC

9/5/00

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

AUG 16 2000

August 10, 2000

2807

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 Wolfcamp and Wildcat Penn pools in our Unforgiven ARZ State #2 located in Unit K of Section 11, Township 12 South, Range 27 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182. Thank you.

Sincerely,

James W. Pringle
James W. Pringle
Operations Engineer

JWP/th

Enclosures

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August 10, 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 Wolfcamp and Wildcat Penn pools in our Unforgiven ARZ State #2 located in Unit K of Section 11, Township 12 South, Range 27 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/th

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August 10, 2000

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 Unforgiven ARZ State #2.

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

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/th

District I
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

OIL CONSERVATION DIVISION

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

2040 South Pacheco
Santa Fe, New Mexico 87505

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation
Operator

105 South Fourth Street
Address

Unforgiven ARZ State
Lease

2
Well No.

K 11 - 12S - 27E
Unit Letter-Section-Township-Range

Chaves
County

OGRID No. 025575 Property Code _____ API No. 30-005-63160 Lease Type: _____ Federal State _____ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wolfcamp		Wildcat Penn
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,812'-5,820' 6,076'-6,090'	<i>This API is assigned to the No. 1 well in Argard not the No. 2. ?</i>	6,788'-6,794'
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)	1100 BTU		1100 BTU
Producing, Shut-In or New Zone	Producing		Shut-In
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: 08/09/00 Rates: 294 mcfpd	Date: Rates:	Date: 08/01/00 Rates: 43 mcfpd
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 87 %	Oil _____ Gas _____	Oil _____ Gas 13%

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 W. Pringle TITLE Operations Engineer DATE _____

TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182

District I
 PO Box 1988, Hobbs, NM 88241-1988
 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

1 API Number 30-005-63160		2 Pool Code		3 Pool Name Wolfcamp	
4 Property Code		5 Property Name Unforgiven ARZ State			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3688'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	11	12S	27E		2350	South	1800	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	Feet from the	East/West line	County

12 Dedicated Acres 320	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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
	<p><i>Tina Huerta</i> Signature Tina Huerta Printed Name Operations Technician Title Date</p>		
16	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.		
	<p>REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer: Certificate Number</p>		

Production curves for the Wolfcamp are not available.

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-005-63160		1 Pool Code		2 Pool Name Wildcat Penn	
4 Property Code		5 Property Name Unforgiven ARZ State			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3688'

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
K	11	12S	27E		2350	South	1800	West	Chaves

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	REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number			

Production curves for the Wildcat Penn are not available.

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation.