

DATE IN 8/18/03	SUSPENSE 9/18/03	ENGINEER WJS	LOGGED IN LSR	TYPE DHC	APP NO PLR0323126335
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James W. Pringle
 Print or Type Name

James W. Pringle
 Signature

Operations Engineer
 Title

7/6/03
 Date

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 South First Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Arice, 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 FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
X Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes ____ No

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Operator Address
Salem Com 4 H 4 8S 26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code API No. 30-005-63559 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope Abo Gas ✓	Wildcat Wolfcamp Gas ✓ UNDES. S. Leche SPRING WOLFcamp Gas 97110	(UNDES) Foor Ranch Pre-Permian North Gas
Pool Code			
Top and Bottom of PaySection (Perforated or Open-Hole Interval)	4149-4494'	5157-5162'	5261-5266'
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)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA	NA	NA
Producing, Shut-In or New Zone	Producing	Shut in	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: Rate: 800 mcf/d 0 bopd 0 bwpd	Date: Rate: 300 mcf/d 0 bopd 0 bwpd	Date: Rate: 228 mcf/d 0 bopd 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 Gas 0% 60%	Oil Gas 0% 23 %	Oil Gas 0% 17%

ADDITIONAL DATA

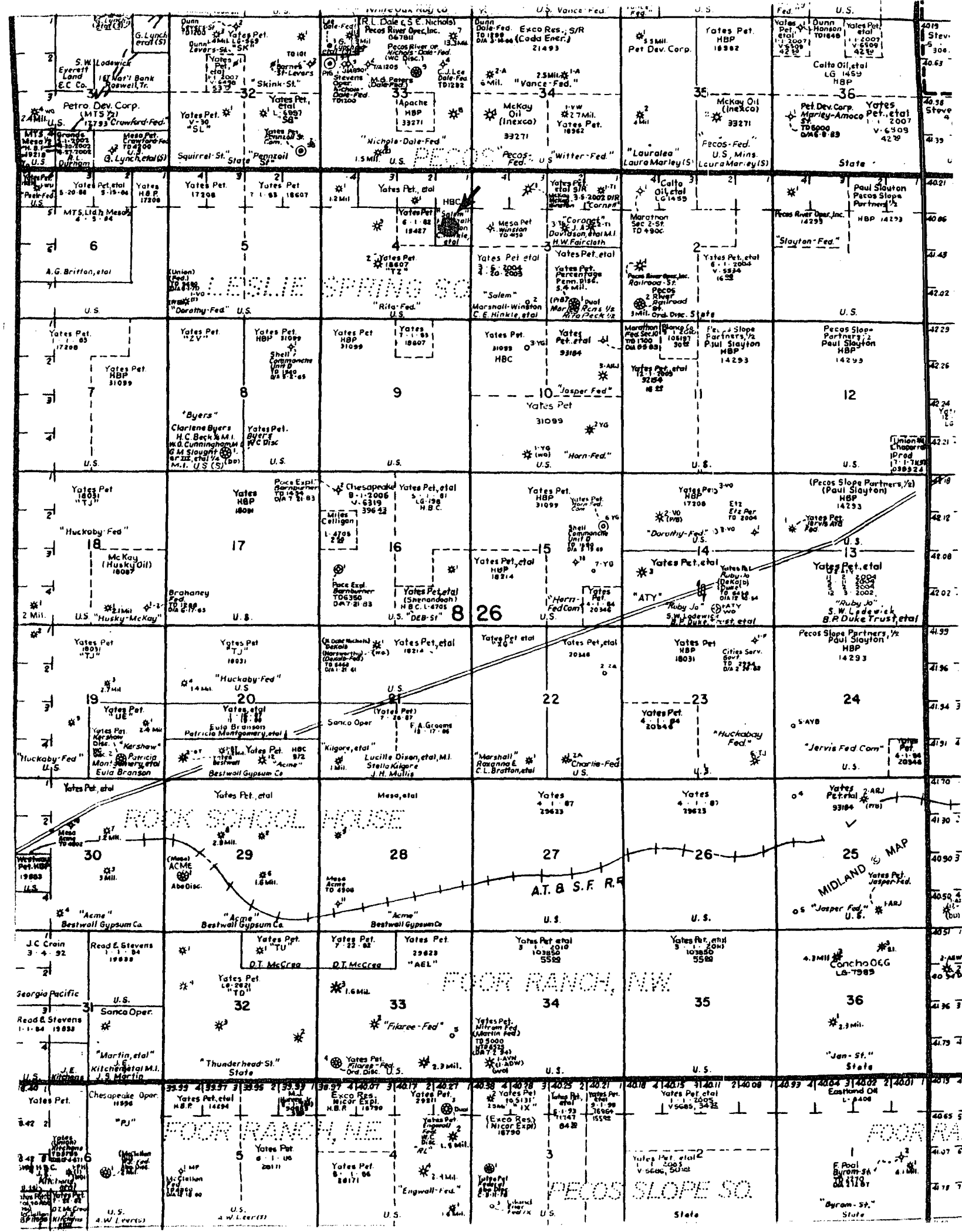
Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ____ No X
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No ____
Are all produced fluids from all commingled zones compatible with each other? Yes X No ____
Will commingling decrease the value of production? Yes ____ No X
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 August 11, 2003
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505)-748-4182



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

August 11, 2003

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
1301 W. Grand
Artesia, New Mexico 88210

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo, Wildcat Wolfcamp and the Cisco Pre-Permian North pools in our Salem #4 located in Unit II of Section 4, Township 8 South, Range 26 East, Chaves County.

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

Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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



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DENNIS G. KINSEY
TREASURER

August 11, 2003

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo, Wildcat Wolfcamp and the Cisco Pre-Permian North pools in our Salem #4 located in Unit H of Section 4, Township 8 South, Range 26 East, Chaves County.

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

Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

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SECRETARY
DENNIS G. KINSEY
TREASURER

August 11, 2003

Armando Lopez
Bureau of Land Management
2909 2nd Street
Roswell, New Mexico 88201

Dear Mr. Lopez

Yates Petroleum Corporation hereby seeks administrative approval to down hole commingle the production from the Pecos Slope Abo, Wildcat Wolfcamp and the Foor Ranch Pre-Permian North in our Salem Com #4 located in Unit H, Sec 4, T8S-R26E of Chaves County, New Mexico

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

Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

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1936 - 1986



105 SOUTH FOURTH STREET
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EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

August 11, 2003

To: Working Interest Owner
Royalty Interest Owner
Overriding Royalty Interest Owner

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo, Wildcat Wolfcamp and the Foor Ranch Pre-Permian North pools in our Salem Com #4 located in Unit H of Section 4, Township 8 South, Range 26 East, Chaves County, New Mexico.

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

Sincerely,

James W. Pringle
Operations Engineer

JWP/CM
Enclosure

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

District II
811 South First, 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

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63559		² Pool Code		³ Pool Name Pecos Slope Abo	
⁴ Property Code		⁵ Property Name Salem Com (FEE)			⁶ Well Number 4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3744

¹⁰ Surface Location

UL or lot no. 11	Section 4	Township 8S	Range 26E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 990	East/West line East	County Chaves
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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
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¹² Dedicated Acres 160	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	FEE	1980'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <u>Cherry Matchus</u> Cherry Matchus Printed Name Engineering Tech Title _____ Date <u>7-10-03</u>	
				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 _____	

The Pecos Slope Abo is a new zone and production curves are not available.

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

District II
811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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Energy, Minerals & Natural Resources Department

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63559		² Pool Code		³ Pool Name Wildcat Wolfcamp	
⁴ Property Code		⁵ Property Name Salem Com (FEE)			⁶ Well Number 4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3744

¹⁰ Surface Location

UL or lot no. 11	Section 4	Township 8S	Range 26E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 990	East/West line East	County Chaves
---------------------	--------------	----------------	--------------	---------	-----------------------	---------------------------	----------------------	------------------------	------------------

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
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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

16	FEE	1980'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Cherry Matchus Printed Name Engineering Tech Title Date 7-6-03	
				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	

The Wildeat Wolfeamp is a new zone and production curves are not available.

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

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State of New Mexico
Energy, Minerals & Natural Resources Department

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Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr
Santa Fe NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63559		² Pool Code		³ Pool Name Four Ranch Pre-Permian North	
⁴ Property Code		⁵ Property Name Salem Com (FEE)			⁶ Well Number 4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3744

¹⁰ Surface Location

UL or lot no. 11	Section 4	Township 8S	Range 26E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 990	East/West line East	County Chaves
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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
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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	FEE	1980'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Cherry Matchus Printed Name Engineering Tech Title Date 7-6-03
				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

The Foor Ranch Pre-Permian North is a new zone and production curves are not available.

SALEM #4

MINERAL OWNERS

Sheryl Ann Grothe
P.O. Box 202
Lane, OK 74555-0202

Sherry Lynn Rector
549 S. Research Rd.
Lane, OK 74555

George Lee Grothe
P.O. Box 215
Lane, OK 74555

Joann Renee Ward
P.O. Box 131
Lane, OK 74555

Joan Marie Votaw
P.O. Box 215
Lane, OK 74555

Jim Bert Grothe
P.O. Box 215
Lane, OK 74555

Charles L. Britton and Jean L. Britton
20 Sebring Lane
Johnstown, CO 80534

Cynthia Hinkle, Trustee for Kristen Hinkle and Jenna Hinkle
C/o Hinkle Investments
P.O. Box 2002
Roswell, NM 88202

James Lisle Hinkle
P.O. Box 2012
Roswell, NM 88202

John T. Hinkle and Linda J. Hinkle, Trustees under the Hinkle Living Trust dated 1/9/96
P.O. Box 1793
Roswell, NM 88202-1793

Bettianne H. Bowen, Trustee under the Bettianne H. Bowen Living Trust dated 4/24/96
1902 Ivanhoe Lane
Abilene, TX 79605

Charles E. Hinkle
P.O. Box 1030
King City, CA 93930

Gerda L. White
P.O. Box 1234
Ruidoso, NM 88355-1234

John W. Lodewick
3305 Wentwood
Dallas, TX 75225

Balwick Limited Partnership
Mr. Richard Lodewick
25 Mulberry Lane
White, GA 30184

Laura Patricia Lodewick
511 Newell
Dallas, TX 75223

Richard Franklin Halter
233 E. Terra Alta
San Antonio, TX 78209

Jack Chandler Halter
400 Quail Creek Drive
Lufkin, TX 75901

Grant Weidman Halter
3604 Del Sur
Baytown, TX 77521

Matlock Minerals Ltd. Co.
11101 Bermuda Dunes, NE
Albuquerque, NM 87111

Good Earth Minerals, LLC
P.O. Box 1090
Roswell, NM 88202-1090

Marshall & Winston, Inc.
P.O. Box 50880
Midland, TX 79710-0880

James R. Marshall
2043 Comstock Dr.
Gardnerville, NV 89410-7007

McQuiddy Communications and Energy, Inc.
P.O. Box 2072
Roswell, NM 88201

R.R. Hinkle Company, Inc.
P.O. Box 2292
Roswell, NM 88202-2292

James W. Childress
P.O. Box 3209
Roswell, NM 88202-3209

Shirley Childress
604 North Delaware Ave #2
Roswell, NM 88201-2135

Lynn E. Desper
50 Coronado Rd.
Corrales, NM 87048

William Bryan Landsheft, Trustee of the William Bryan Landsheft
Revocable Trust u/t/a dated 1/23/98
Rt. 6, 15880 S. Peoria
Bixby, OK 74008

Richard H. Landsheft, Jr.
2313 Jim Dent
El Paso, TX 79936

OVERRIDING ROYALTY & PRODUCTION PAYMENT OWNERS

Robert P. Creson, Don Michael Dowdle, Don E. Williams
And Oliver H. Daniel, Trustees of the Pecos Slope Royalty Trust
P.O. Box 7127
Dallas, TX 75209

Robert P. Creson, Don Michael Dowdle, Don E. Williams
And Oliver H. Daniel, Trustees of the Newkirk Royalty Trust
P.O. Box 7127
Dallas, TX 75209

Rio Petro, Lt.d, Agent for Armstrong Equities Associates, et al
P.O. Box 7127
Dallas, TX 75209

Ninety-Six Corporation
550 W. Texas, Ste 1225
Midland, TX 79701

Grover Brother Ltd. Partnership
C/o Robert Pulliam
Expressway Tower, Ste 1000
6116 N. Central Expressway
Dallas, TX 75206

Elizabeth A. Greaves
306 W. Wall, Ste 1400A
Midland, TX 79701

Grover Family, L.P.
P.O. Box 3666
Midland, TX 79702

Branex Resources, Inc.
P.O. Box 2328
Roswell, NM 88202-2328

Carl A. Schellinger & Gloria Schellinger
P.O. Box 447
Roswell, NM 88202-2328

Los Siete Exploration, Inc.
215 W. Third
Roswell, NM 88201

W.E. Jeffers Revocable Trust
P.O. Box 65
Artesia, NM 88210

Rita Short
C/o William H. Short
3767 Prairie Dunes Drive
Sarasota, FL 34238

William H. Short, III, Successor Trustee under the William H. Short, Jr.
Trust created by an Indenture of Trust dated March 17, 1988
3767 Prairie Dunes Drive
Sarasota, FL 34238

Sam D. Gardiner
P.O. Box 2703
Roswell, NM 88202

WORKING INTEREST OWNERS

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.

Campbell Investment Company
C/o Pat Greenwade
P.O. Box 3854
Roswell, NM 88202-3854

Pecos Production Company
P.O. Box 891509
Dallas, TX 75389-8915

John D. Cadigan
Drawer F
Cashmere, WA 98815

Heirs or devisees of Linda I. Cadigan, Dec.
Drawer F
Cashmere, WA 98815