

R.D. - 5/13/98



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

5/5/98

GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC \_\_\_\_\_  
DHC X \_\_\_\_\_  
NSL \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Yates Petroleum Corp Morton Unit #1-B-5-195-35e  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval

Yours very truly,

Chris Williams

Chris Williams  
Supervisor, District 1

/ed

DHC 5/13/98

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

Case 11990

April 21, 1998

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

Dear Mr. Catanach,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. We have applied to add additional pay in the Atoka section. We would sure like to commingle these marginal gas zones while the rig is there.

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

Sincerely,

Morris Keith  
Engineer

MK/th

Enclosures

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



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SECRETARY  
DENNIS G. KINSEY  
TREASURER

April 21, 1998

Chris Willaims  
State of New Mexico  
OIL CONSERVATION DIVISION  
P. O. Drawer 1980  
Hobbs, NM 88240

Dear Mr. Sexton,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. We have applied to add additional pay in the Atoka section. We would sure like to commingle these marginal gas zones while the rig is there.

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Engineer

MK/th

Enclosures

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 South First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-107-A  
New 3-12-96

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

Operator

Address

Morton Unit

1

B 5-15S-35E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 025575Property Code 018677API NO. 30-025-33314Federal ☐ State ☒ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	North Morton Atoka (Gas) 96676	Wildcat Morrow 96070	Wildcat Mississippian 96593
2. Top and Bottom of Pay Section (Perforations)	12524'-12933'	13207'-13243'	13407'-13426'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
5. Bottomhole Pressure	a. (Current) 3886	a. 5400	a. (Current) 6074
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) 4000	b. 5413	b. (Original) 6271
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity ( API) or Gas BTU Content	1150	1210	1127
7. Producing or Shut-In?	Producing	Shut-in	Shut-in
Production Marginal? (yes or no)	Yes	Yes	Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: 1-9-97 Rates: 0 BOPD 0 BOPD 94 MCFGPD	Date: 12-3-96 Rates: 0 BOPD 0 BOPD 136 MCFGPD
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Estimated Rates: 30 BOPD 5 BOPD 1000 MCFGPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 100% Gas: 82%	Oil: 0% Gas: 8%	Oil: 0% Gas: 10%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?

☒ Yes ☐ No

If not, have all working, overriding, and royalty interests been notified by certified mail?

☐ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

16. 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 all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Morris Keith TITLE Operations Engineer DATE 4-21-98

TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-1471

---

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PO Box 1980, Hobbs, NM 88241-1980  
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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

<sup>1</sup> APT Number 30-025-33314	<sup>2</sup> Pool Code 96676	<sup>3</sup> Pool Name North Morton Atoka (gas)
<sup>4</sup> Property Code 018677	<sup>5</sup> Property Name Morton Unit	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 4029'

<sup>10</sup> Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	15S	35E		770	North	2150	East	Lea

<sup>11</sup> 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

<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

<sup>16</sup>		<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  <u>Tina Huerta</u> Signature Tina Huerta Printed Name Operations Technician Title  Date
		<sup>18</sup> 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 Surveyer:   Certificate Number



New Mexico Oil Conservation Division  
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines **NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.**
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within the dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal direction (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage

If more than one lease has been dedicated to this completion, outline each one and identify the ownership to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

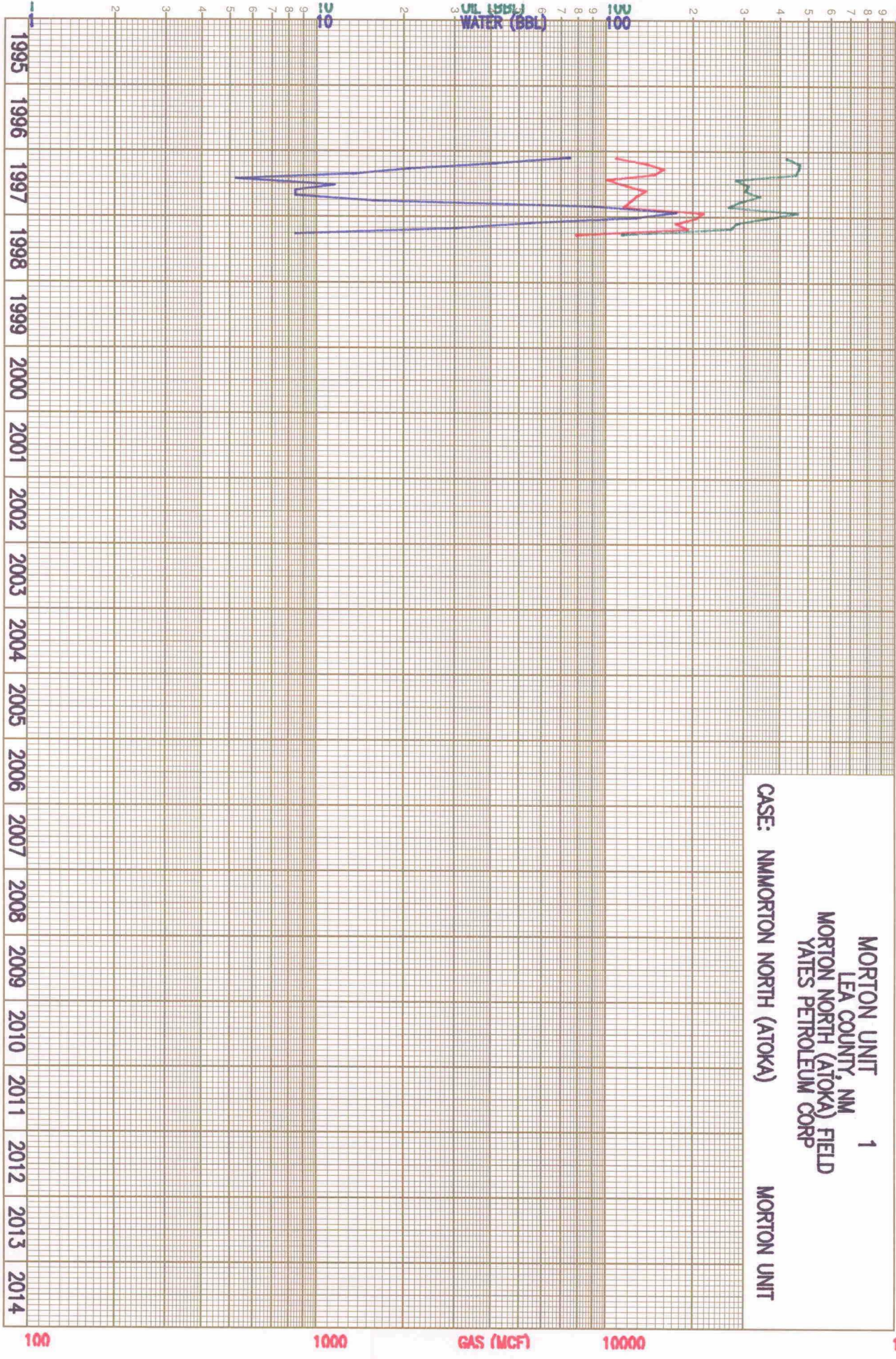


Date: 04/16/98  
Time: 10:54:32

# PRODUCTION HISTORY

File#: MORTON  
Get#: 4

MORTON UNIT 1  
LEA COUNTY, NM  
MORTON NORTH (ATOKA) FIELD  
YATES PETROLEUM CORP  
CASE: NMMORTON NORTH (ATOKA) MORTON UNIT



CUMULATIVE OIL (BBL)=

4783.

DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF)=

202180.



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33314		2 Pool Code 96070		3 Pool Name Wildcat Morrow		
4 Property Code 018677		5 Property Name Morton Unit			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 4029'	

10 Surface Location

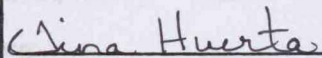
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11 Bottom Hole Location If Different From Surface

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

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  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				



New Mexico Oil Conservation Division  
C-102 Instructions

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Production curves are not available for all zones. The Wildcat Morrow produced for only 1 month.



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State of New Mexico  
Energy, Minerals & Natural Resources Department

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33314	Pool Code 96593	Pool Name Wildcat Mississippian
Property Code 018677	Property Name Morton Unit	Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 4029'


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[illegible]



Production curves are not available for all zones. The Wildcat Mississippian produced for only 2 months.

**YATES PETROLEUM CORPORATION**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**MORTON UNIT #1**  
**LEA COUNTY, NEW MEXICO**

J. M. Huber Corporation  
2000 W. Loop South  
Houston, TX 77027

Permian Resources, Inc.  
P. O. Drawer 590  
Midland, TX 79702

Rand Paulson Oil  
P. O. Box 9660  
Rancho Santa Fe, CA 92067

Ocean Energy  
P. O. Box 4600  
Houston, TX 77210

Spirit Energy 76  
P. O. Box 3100  
Midland, TX 79702

MARTIN YATES, III  
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FRANK W. YATES  
1936 - 1986



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TREASURER

April 21, 1998

J.M. Huber Corporation  
2000 W. Loop South  
Houston, TX 77027

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Morris Keith'.

Morris Keith  
Operations Engineer

MK/th



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TREASURER

April 21, 1998

Rand Paulson  
P. O. Box 9660  
Rancho Santa Fe, CA 92067

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Spirit Energy 76  
P. O. Box 3100  
Midland, TX 79702

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SECRETARY  
DENNIS G. KINSEY  
TREASURER

April 21, 1998

Permian Resources, Inc.  
P. O. Drawer 590  
Midland, TX 79702

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith  
Operations Engineer

MK/th



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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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

April 21, 1998

Ocean Energy  
P. O. Box 4600  
Houston, TX 77210

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