

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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
Operator Address
Dazed "BDZ" Federal Com No. 2 Lot No. 13 3-21S-24E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code 33096 API No. 30-015-33428 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Upper Penn		Cemetery Morrow
Pool Code			74640
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7,850'-8,396'		9,642'-9,828'
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)	2,850 psig SBHP on 1/11/05		3,732 psig SBHP on 8/9/04
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: 2/7/2005 4 bopd Rates: 12 bwpd 190 mcf/d	Date: Rates:	Date: 1/1/2005 2 bopd Rates: 35 bwpd 463 mcf/d
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 67 % Gas 29%	Oil % Gas %	Oil 33 % Gas 71%

ADDITIONAL DATA

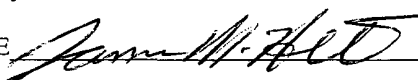
Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ 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.

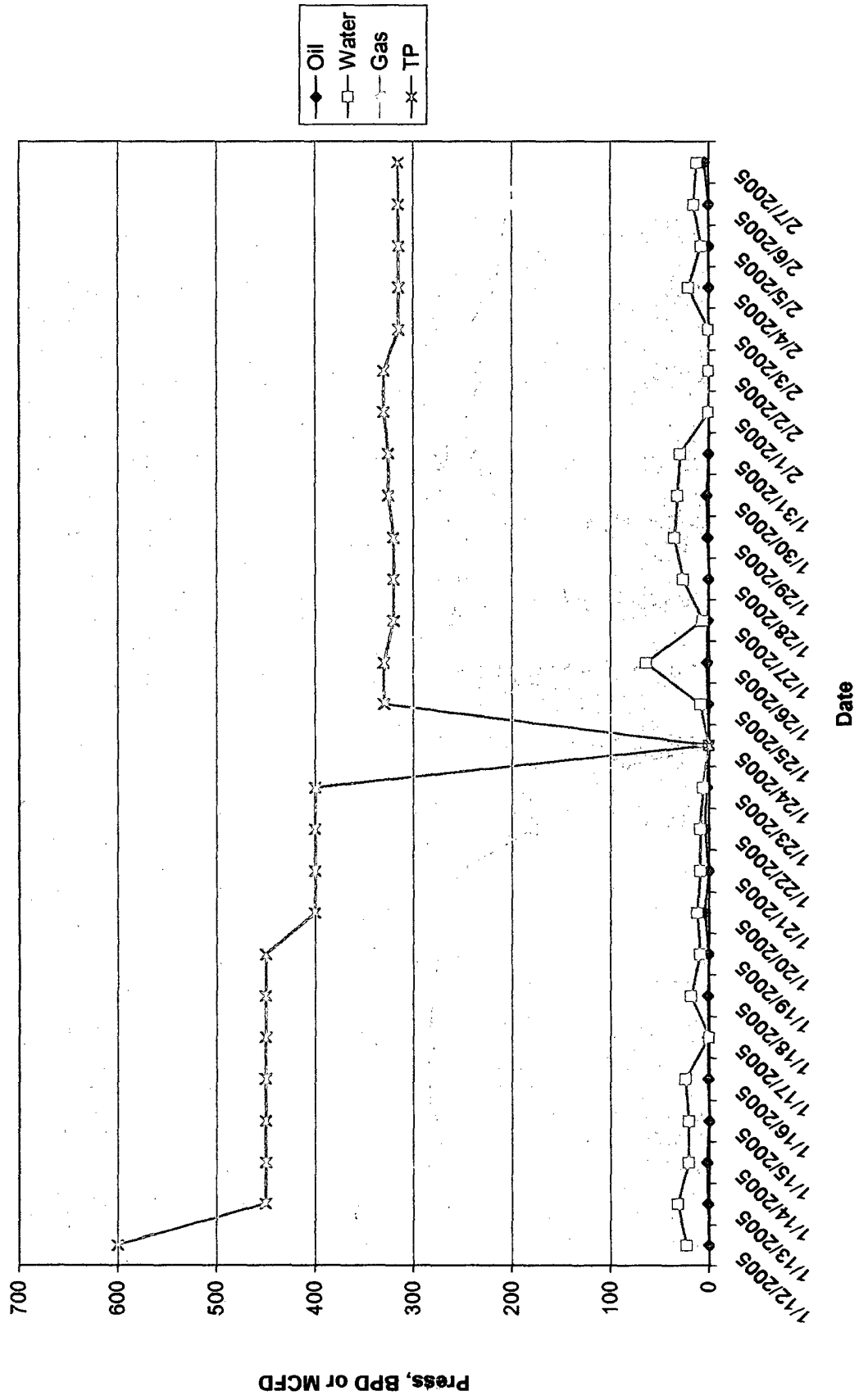
PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

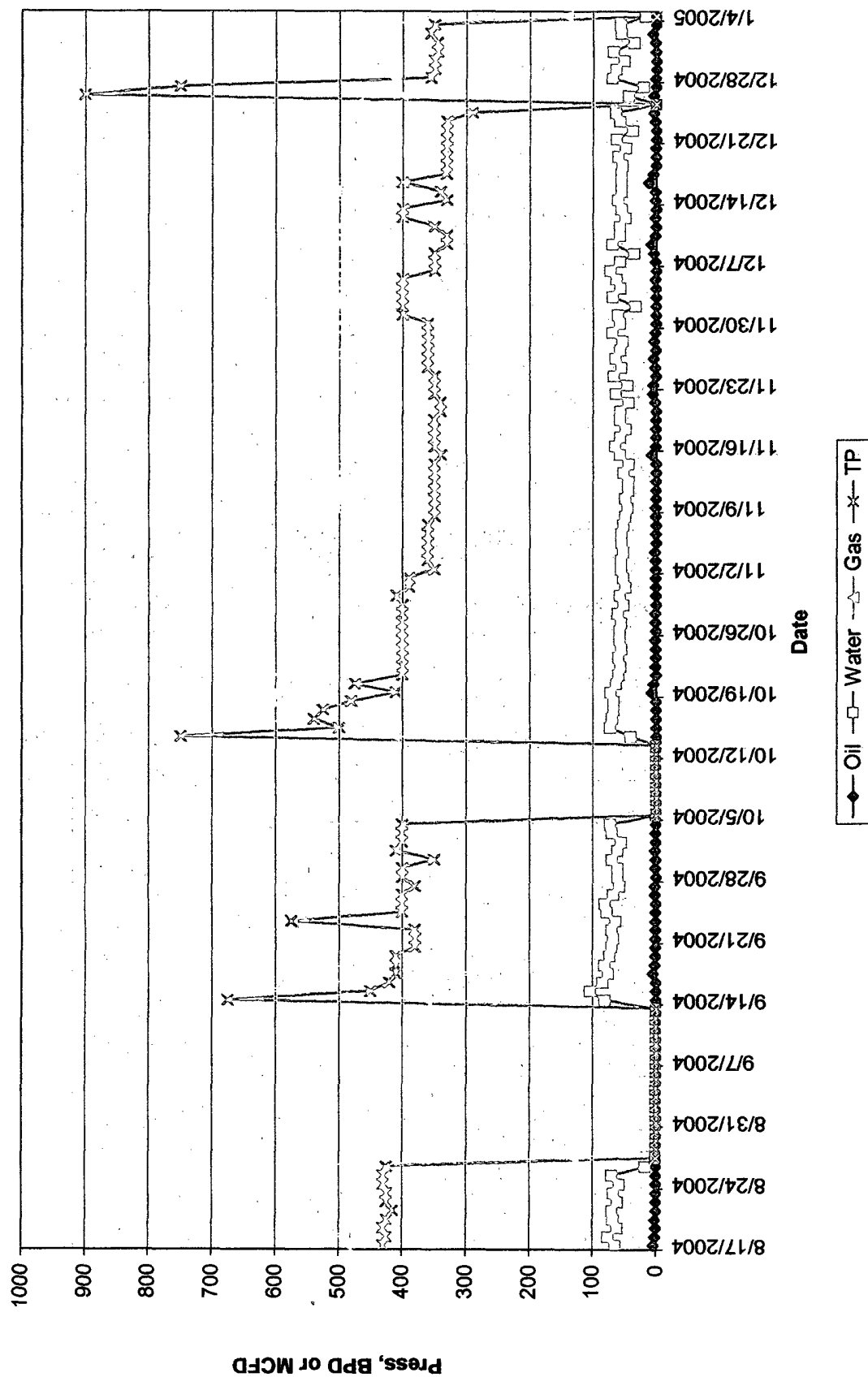
List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE  TITLE Operations Engineer DATE 2/8/05
TYPE OR PRINT NAME James M. Hill TELEPHONE NO. (505) 748-4219
E-MAIL ADDRESS mhill@ypcnm.com

Dazed BDU No. 2 Upper Penn Production



Dazed BDZ No. 2 Morrow Production



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

RECEIVED
FEB 14 2005
OCD-ARTESIA

February 8, 2005

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 Cemetery Morrow and the Wildcat Upper Penn pools in our Dazed "BDZ" Federal Com No. 2 located in Lot 13 of Section 3, Township 21 South, Range 24 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4219.

Sincerely,

James M. Hill
Operations Engineer

MH

Enclosures