

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
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MAR 03 2005
APPROVED
APPROVED

Form C-107A
Revised June 10, 2003
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
Kylie "AYV" No. 1 Unit letter K, Sec 13 -T23S-27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code API No. 30-015-33173 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Cass Draw Delaware		Undes. Cass Draw Bone Spring
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4812'-5,760'		7,550'-7,608'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)	Not Completed yet.		
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: Rates:	Date: Rates:	Date: 2/25/2004 10 bopd Rates: 166 mcfd
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 % %	Oil Gas Allocation % will be Submitted when completed

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 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 X 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

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
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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

RECEIVED

MAR 03 2005

EDD-ARTESIA

February 28, 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 Cass Draw Delaware and the Undes. Cass Draw Bone Spring pools in our Kylie "AYV" No. 1 located in Unit letter K, of Section 13, Township 23 South, Range 27 East, in Eddy County, NM.

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

Sincerely,

James M. Hill (Mike)
Operations Engineer

MH

Enclosures

RECEIVED
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ODD-ARTERIA

The Cass Draw Delaware is a new zone and production curves are not available.

RECEIVED

MAR 03 2005

BBH-MT-ES-1A

The Undes. Cass Draw Bone Spring is a new zone and production curves are not available.