

District I
1625 N. Franch 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

Month - Year
APR 26 2007
OCD - ARTESIA, NM

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
Conoco AGK Deep Federal #4 Unit A - Section 26 - 20S-24E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 019612 API No. 30-015-26735 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE 1
Pool Name	Cemetery; Strawn	Eddy; Atoka	Cemetery; Morrow
Pool Code	74650		74640
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,534-8,544'	8,894-8,898'	9,330-9,334'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	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: New Zone Rates:	Date: New Zone Rates:	Date: New Zone Rates:
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 Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed

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 Shannon Moss TITLE Operations Engineer DATE 4-24-07

TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209

E-MAIL ADDRESS shannonm@ypcnm.com

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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

Conoco AGK Deep Federal #4 Unit A - Section 26 - 20S-24E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 019612 API No. 30-015-26735 Lease Type: ☒ Federal ☐ State Fee

DATA ELEMENT	LOWER ZONE 2		
Pool Name	Wildcat; Chester		
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9-532-9,558'		
Method of Production (Flowing or Artificial Lift)	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)			
Producing, Shut-In or 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: New Zone Rates:		
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		

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.
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- 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 Shannon Moss TITLE Operations Engineer DATE 4-24-07

TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209

E-MAIL ADDRESS shannonm@ypcnm.com

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26735	² Pool Code 74650	³ Pool Name Cemetery Strawn
⁴ Property Code 019612	⁵ Property Name Conoco AGK Deep Federal	⁶ Well Number #4
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3641'

¹⁰ Surface Location

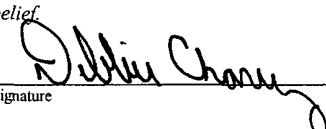
UL or lot no. A	Section 26	Township 20S	Range 24E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 660'	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

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

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address April 24, 2007 Date
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26735		² Pool Code		³ Pool Name Eddy; Atoka	
⁴ Property Code 019612		⁵ Property Name Conoco AGK Deep Federal			⁶ Well Number #4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3641'

¹⁰ Surface Location

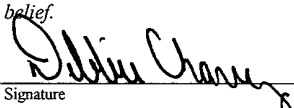
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	26	20S	24E		660'	North	660'	East	Eddy

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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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<div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; transform: rotate(90deg);">660'</div> <div style="position: absolute; bottom: 0; right: 0;">660'</div> </div>	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	 Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address April 24, 2007 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		

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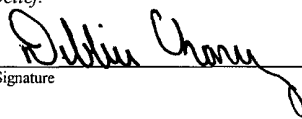
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26735		² Pool Code		³ Pool Name Wildcat; Chester	
⁴ Property Code 019612		⁵ Property Name Conoco AGK Deep Federal			⁶ Well Number #4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3641'

¹⁰ Surface Location									
UL or lot no. A	Section 26	Township 20S	Range 24E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 660'	East/West line East	County Eddy

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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<div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; border: 1px solid black; padding: 5px;"> ¹⁶ 660' 660' </div> </div>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address April 24, 2007 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:			
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¹ API Number 30-015-26735	² Pool Code 74640	³ Pool Name Cemetery; Morrow
⁴ Property Code 019612	⁵ Property Name Conoco AGK Deep Federal	⁶ Well Number #4
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3641'

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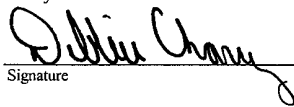
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			660'	660'	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address April 24, 2007 Date
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					Certificate Number

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

The Cemetery; Strawn is a new zone and production curves are not available.

The Eddy; Atoka is a new zone and production curves are not available.

The Cemetery; Morrow is a new zone and production curves are not available.

The Wildcat; Chester is a new zone and production curves are not available.

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
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TREASURER

Month - Year
APR 26 2007
OCD - ARTESIA, NM

April 24, 2007

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

Re: Conoco AGK Deep Federal #4

Dear Mr. Gum;

Enclosed please find a copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Conoco AGK Deep Federal #4 of 26-20S-24E, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosures