

Fasken Oil & Ranch, Ltd.
303 W. Wall, Suite 1800
Midland, TX 79701

Fax Cover Sheet

DATE: October 19, 2000 **TIME:** 5:03 PM
TO: Bryan Arrant
NMOCD **PHONE:** (505) 748-1283
 FAX: (505) 748-9720
FROM: Carl Brown **PHONE:** 915-687-1777
Fasken Oil & Ranch, Ltd. **FAX:** 915-687-1570
RE: Yates "6" Federal No. 3 – Downhole commingle Strawn and Morrow
UNIT F, SEC 6, T18S, R26E

CC:

Number of pages including cover sheet: 7

Dear Bryan,

Attached is an application to administratively approve downhole commingling.

Sincerely,

Carl Brown
Petroleum Engineer

Jim W. Green

District Supervisor DEC 15 2000

FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116
(915) 687-1777

October 19, 2000

The Oil Conservation Division
Energy, Minerals, and Natural Resources Department
811 S. 1st Street
Artesia, New Mexico 88210

Re: Application to Downhole Commingle
Eagle Creek Strawn Pool and
East Eagle Creek Atoka-Morrow Pools
Fasken Oil and Ranch, Ltd. - Operator
Yates "6" Federal No. 3
1980' FNL & 1570' FWL
Sec 6, T18S, R26E
Eddy County, New Mexico

Dear Sirs:

Fasken Oil and Ranch, Ltd. requests administrative approval to downhole commingle Strawn and Morrow gas zones in its Yates "6" Federal No. 3 well located 1980' FNL & 1570' FWL Sec 6, T18S, R26E as allowed by special field rules of the Eagle Creek Strawn gas pool and East Eagle Creek Atoka-Morrow gas pool. The requirements for the application are as in Rule 2:

a. Operator:

Fasken Oil and Ranch, Ltd.
303 West Wall, Suite 1800
Midland, TX 79701-5116

b. Well:

Yates "6" Federal No. 3
1980' FNL & 1570' FWL
Sec 6, T18S, R26E
Eddy County, New Mexico

Pools:

Eagle Creek Strawn
East Eagle Creek Atoka-Morrow

c. A plat of the area is attached showing dedicated acreage to be the W/2 Sec 6, T18S, R26E.

All offset operators to north, east and south are Yates Petroleum Corp.

The west offset Section 1 of T18S, R25E to the west has a plugged and abandoned well in NE/4. There are no operators of record for the W/2 of Sec. 1, T18S, R25E.

- d. A mechanical log has been filed.
- e. A diagrammatic sketch is attached.
- f. Zone pressures and production rates:

Strawn zone 8038'-8076'

Bottomhole pressure 1741 psi by shut-in 2% kcl water level after stim.

Production rate: 130 mcfpd + 0 cond. + 0 wtr after stimulation 10-16-00.

Morrow zone 8480'-8492'

Bottomhole pressure 2026 psi from surface shut-in of 1675 psi after 96 hr.

Production rate: 261 mcfpd + 0 cond. + 0 wtr from C-104 test 10-4-00.

- g. Proposed allocation formula based on gas rate ratio:

Strawn	33%
Morrow	67%

- h. Fluid characteristics:

Strawn	Gas gravity	0.638
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Morrow	Gas gravity	0.600
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Fluids will not be incompatible in the well bore

- i. Statement

All offset operators and the Bureau of Land Management have been notified of this application. Attached are the BLM Sundry notice approval and the waiver of objection from Yates Petroleum Corp., the only offset operator.

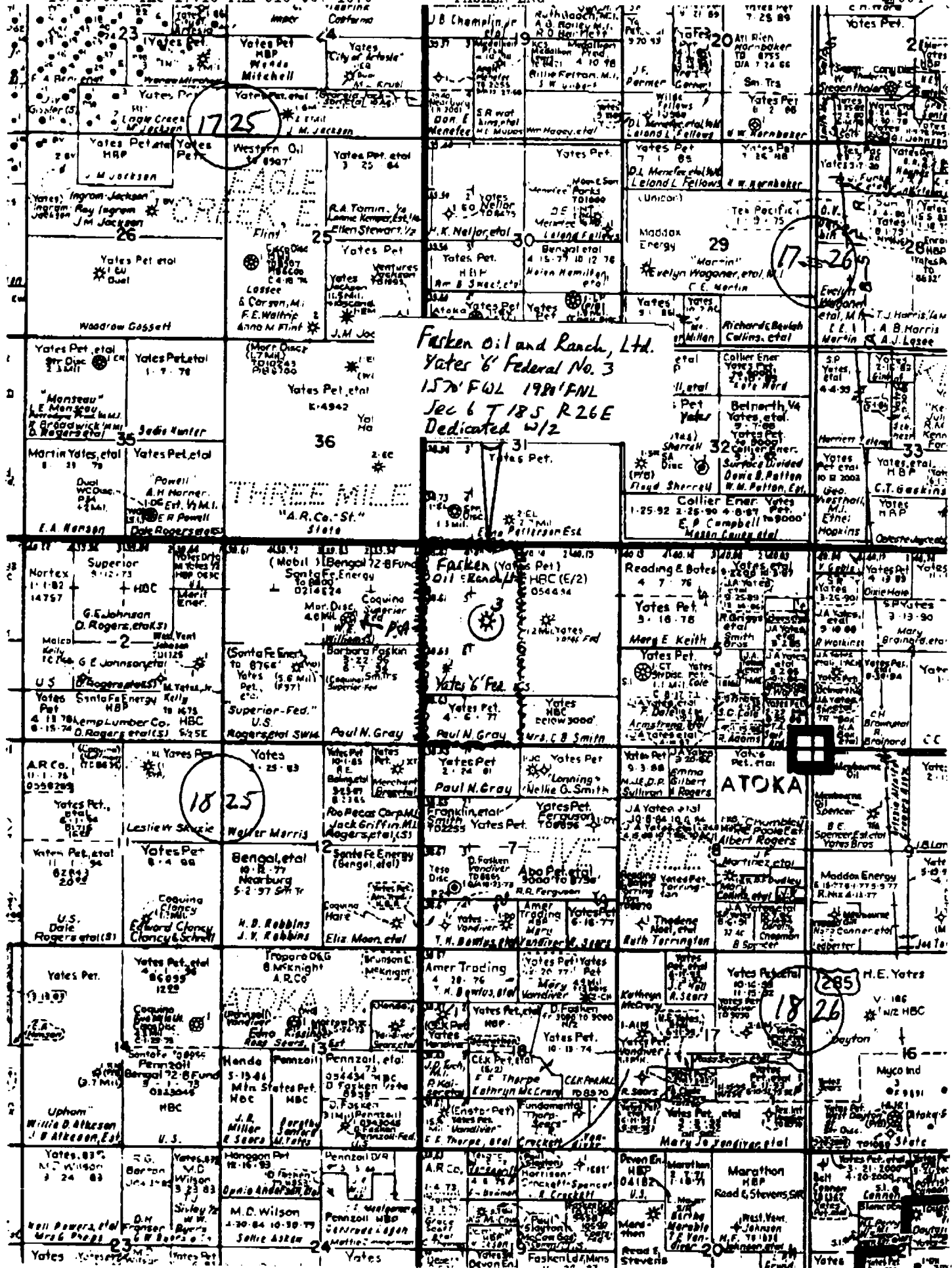
Sincerely,

Carl Brown

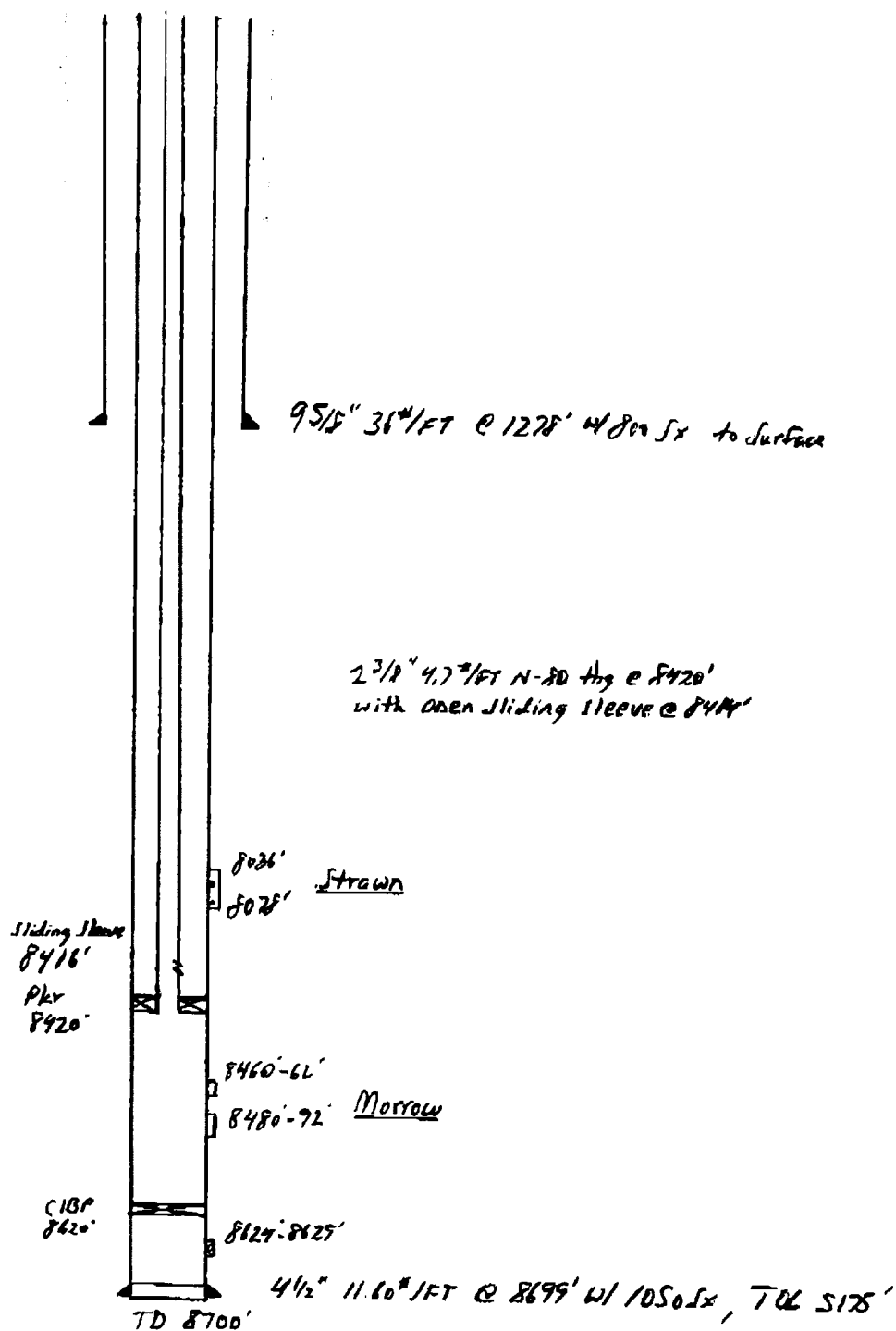
Carl Brown
Petroleum Engineer

cb/CWB
cc: File

004



Fasken Oil and Ranch, Ltd.
 Yates 'B' Federal No. 3
 1570' FWL : 1980' FNL
 Sec. 6 T18S R26E



CWB
 10-19-00

10/19/00 THU 17:16 FAX 915 687 1570
SEP-08-2000 FRI 04:34 P AND

FASKEN ENG

FAX NO. 057484572

0006
P. 02

09/07/00 THU 17:29 FAX 91 087 1570

FASKEN ENG

20

The Oil Conservation Division
Energy, Minerals, and Natural Resources Department
811 S. 1st Street
Artesia, New Mexico 88210

Re: Waiver of Objection to
Downhole Commingling
Eagle Creek Strawn Pool and
East Eagle Creek Atoka-Morrow Pools
Fasken Oil and Ranch, Ltd. - Operator
Yates "6" Federal No. 3
1980' FNL & 1570' FWL
Sec 6, T18S, R26E
Eddy County, New Mexico

Dear Sirs:

As an offset operator to the above referenced location we do hereby waive objection to the application of Fasken Oil and Ranch, Ltd. to downhole commingle Strawn and Morrow gas zones in their Yates "6" Federal No. 3 well located 1980' FNL & 1570' FWL Sec 6, T18S, R26E as allowed by special field rules of the Eagle Creek Strawn gas pool and East Eagle Creek Atoka-Morrow gas pool.

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

BY:

Title: Attorney-in-Fact

Date: September 8, 2000

CWB

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

3. Lease Designation and Serial No.

NM-054434-A

6. If Indian, Allotment or Tribe Name

7. If Unit or CA, Agreement Designation

18246

8. Well Name and No.

Yates "6" Federal No. 3

9. API Well No.

30-015-31230

10. Field and Pool, or Exploratory Area

East Eagle Creek Atoka-Morrow

11. County or Parish, State

Eddy, NM

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

OPERATORS - FOR SUNDRIES

SUBMIT 1 ORIGINAL AND 5
COPIES

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Fasken Oil and Ranch, Ltd.

3. Address and Telephone No.

303 W. Wall, Suite 1800, Midland, TX 79701 (915) 687-1777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL and 1570' FWL Sec. 6, T19S, R26E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Downhole Commingle
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The Yates "6" Federal No. 3 well is a new well yet to be completed. Fasken Oil and Ranch, Ltd. is making application to downhole commingle the Strawn and Morrow gas zone as allowed by special field rules of the Eagle Creek Strawn gas pool and East Eagle Creek Atoka-Morrow gas pool.

**SUBJECT TO
LIKE APPROVAL
BY STATE**

1. I hereby certify that the foregoing is true and correct

Signed Carl BrownTitle Petroleum EngineerDate 09/08/2000

(This space for Federal or State official use)

Approved by _____
Conditions of approval, if any:Title PETROLEUM ENGINEERDate SEP 18 2000

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side