	-	-	ul vedb. 600010 510 / /er DD			
	1	1 · · · · ·	sia, NK 88210			
orm 3160-5 'une (990)	DEPARTMENT OF	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				
	SUNDRY NOTICES AND	NM-3784 3 (555) 6. If Indian, Allottee or Tribe Name				
Do not use this f	orm for proposals to drill or Use "APPLICATION FOR PE	to deepen or reentry to a different reservoir RMIT—'' for such proposals	·			
	SUBMIT IN T	TRIPLICATE	7. If Unit or CA, Agreement Designation			
1. Type of Well Oil Gas Well Well		11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	8. Well Name and No.			
2. Name of Operator	CORPORATION		Desert Rose Fed. #1 9. API Well No.			
3. Address and Telephone	No.	2 505-623-4935	30-015-26167 10. Field and Pool or Exploratory Area Bandana Point(Strawn)			
4. Location of Well (Foota	23, Roswell, NM 88202 age, Sec., T., R., M., or Survey Description		Hess, East (Morrow)			
1740' FSL & Sec. 27 - 23			11. County or Parish, State Eddy			
2. CHECK	APPROPRIATE BOX(s) TO	D INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA			
TYPE OF	SUBMISSION	TYPE OF ACTIO	N			
X Notice	of Intent	Abandonment Recompletion	Change of Plans			
	uent Report	Plugging Back	Non-Routine Fracturing Water Shut-Off			
🗌 Final A	Abandonment Notice	Altering Casing X Other Commingle Downhole	Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			
13. Describe Proposed or C give subsurface lo	completed Operations (Clearly state all pertin cations and measured and true vertical dept	tent details, and give pertinent dates, including estimated date of star ths for all markers and zones pertinent to this work.)*	ting any proposed work. If well is directionally drilled,			
Application	to commingle producti	ion downhole filed with the NMOCD) for administrative approva			
Ownership is	s common to both zones	s. Upon OCD approval, production	ι is to be allocated based			
on 41% for 1	the Morrow zone and 59	9% for the Strawn zone.				
			· · · · · · · · · · · · · · · · · · ·			
			200 - 200 - 200 - 200			
S	ubject to					
	Approval					
	y Staie					
14. I hereby certify that th	ne foregoing is true and correct					
Signed <u>C</u>	7/uniz	TitleEngineering Technician	Date <u>9-12-93</u>			
-	al or State office use)	PETROLEUM ENGINEER	Date 11/30/93			
			ind Space any false fraining or foreidulant anterest			
Title 18 U.S.C. Section 10 or representations as to an	001, makes it a crime for any person know by matter within its jurisdiction.	ingly and willfully to make to any department or agency of the Ur	incu states any faise, fictutious or fraudulent statements			

*See Instruction on Reverse Side

in the second seco





October 11, 1993

New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504-2088 Attn: William Lemay

Re: Downhole commingling Desert Rose Federal #1 Hess, East (Morrow) Field Bandana Point (Strawn) Field 1740' FSL & 660' FEL Section 27-23S-23E Eddy County, New Mexico

Dear Mr. Lemay:

Yates Energy Corporation respectfully requests administrative approval to downhole commingle the Strawn and Morrow formations in the subject well.

Previous authority to surface commingle the subject zones was granted in 1991 by Order #PC-781. As per that order, we are required to perform annual packer leakage tests. While performing the 1993 test, communication was discovered between the tubing and annulus, indicating either a packer failure or tubing leak. The Artesia office of the OCD notified us 9/15/93 that we have 30 days to repair the leak.

Yates Energy is making this request based on economics. We assert that the costs associated with the repair may not be returned from the remaining gas reserves. If you will notice, gas production has declined to less than 75 MCFPD (for September 1993), and remaining reserves are estimated at only 50 MMCF. Repair costs could be in excess of \$10,000, making the project uneconomic when the time value of money is considered. Also of importance, the well will have to be killed with fluid to repair the leak and there is a possibility that the Morrow formation would be permanently damaged as a result. If however, we were allowed to commingle this production downhole, we would be able to produce the remaining reserves, thus preventing waste.

Current reservoir pressures in both reservoirs are estimated to be reasonably equal and no crossflow between zones is anticipated. Neither reservoir produces formation water so there will be no compatibility problems. In addition, all ownerships are common for both zones.

Attached are production decline curves showing a stabilized decline on both zones. We have determined that the future allocation could be based on a split of 41% for the Morrow zone and 59% for the Strawn. We have also attached a plat showing that OXY USA Inc. is the only offset operator. Correspondence has been sent to OXY notifying them of our intent and requesting a waiver. The waiver will be forwarded to you after receipt. We have also notified the BLM of our intent.

We also request that you waive your requirement of a current bottomhole pressure test and a current 24 hr deliverability test due to the fact that the tests would be impossible to run under the current circumstances. Please review the attached information at your earliest convenience. Should you require additional information, please advise.

Respectfully Submitted,

Kirk Ross Engineer

attachments

cc: OCD-Artesia BLM-Carlsbad

-		retter Fred 💊 1	// ····	1 Amaco 1 8 1 49 11 35606	Sonto Fe Ener. 2 406 - 100 8:584 - 0	
N 7 ALAS BLAS Person Potence	8	1' Amer Quatan 9 Tippen Rah Unit Diasso Dias ila 75	US Smett.		1900 12 Amocol 18 - 191	4
11 e 11 e U S		U S .	Keriy Fed	1	34606	>
David Fasken	Dovid Fosken Yates	Santa Fe Ener. 9 5020 5125	Yates Pet.,et	ATES ENERGY CORF	131	- -
ez 2	3597 LOT	Ali Sec. //	17** T.E. E	esert Rose Feder /2 Section 27-23	S-23E	Ş.
1 18	17 Ø ¹ f(Sheil) Waganture		D E.I	ddy County, New	Mexico	
A4254	TD C.ISC ————————————————————————————————————		63 2/			
Tates Ret., etcl 7573	Pattersoners Coquino { 2 82 6 14 81	Yates Pet, etal. 9 · I · 93	23 U.S. Yates Petrial David Petretel 6 (1.93	Comp Cart-R		-
76923 (J 2 1052	Jna Guitar Jr. Tratal JB.E.A.S. Potterson Yates Pet., etwl 9 + 1 + 93	76925 1225	16824 1 71136 2312 Yates Pet, etal 1 83546 1	Cony At-a Price 4450 Prig Hinto B2 Yates Petyetal 83546	Yates Pet, stol 75/2 - 79 1757 - 71 1757 - 71 1892 - 1893	
× مل – – 19 الداده: الارتجار	Yates Pet.,etal 9.1 - 93 75925 (255 20 © ¹ 5592000	2	¹⁵ [™] 22	23 ℃ 23 ℃ 50 500 × 70 125	1 E.J.Sullivan 3497 4	
Unanette 	Statistics	// // // John R Jayce etel 3:308		⊤⊡:/25 D/462 80-	55005	
j 1 1 1 1 1 Yates Pet,etal K Sulliven 9.1.93 8.1.51 7€925	U.S. Yates Pet., etal. 9-1-93	The second cs	U 3. Yates Pet.etal Bruce Angerson 12 Barbara Peterson 10	U.S. Yetes Enec.,etal	U.S Yates Energetal, Yates Petjetal Yates Energetal, Backada	
45130 10 20 17 21 2016 1	76925 1298	//sonds Joyce Votes Petetal Thiss Tess Jan F 1825	63037 37843 - 9592 	65333 .	але вистерно 6 557 6 557 8 529 8 529 кбб 1700 1700 1700 1710 1710 1710 1710	
30 34 Jiberono	Coquina etoi 3 82 12 1 92 5 3947		Dovid 27 yeinstand Periceul 17 434 yeinstand 2 32 38 J REAS Portersone	26 '	25 1 1	
A Amer Quasar Jag F. Jaysa K. C. S. Jag F. Jaysa K. C. S. Jag F. Jaysa S.	Jusuce Jusuce E E A S Safe A Safe A Saf	62167 JBEIAG U.S. Fatterson	70557100 21.97 Jnc.F. 70307	Jates Energy - Lonesone Dove Fed J. B. e. A.S. Patterson 42 Hil U.S	J.B.E.A.S.Patterson 1 US	
49 / .ce Anderson ¹² .cara Pererson ¹² .es ² .f ²		W.B. Bickemore, Jr 9 1 - 95 62157	0XY Sonate xpl2/5 0XY Sonate xpl2/5 7 93 4 94	(Sonat Expl. 2/5) 57221	0.2 Songt Expl. 2/5 DXY II - 1 - 92 LH-1905	-
U I 53947	Provide UT	(nexco 12 - 15 - 82 11 - 79 - 87	66345 57221 Tenneco <i>Hess Hills Unit</i> 10-1800 Maic 24 66	AE 53, E	100 L9 35 W I	÷
JBEAS	32/: 0/4/30 79	U.3 Jraf, Usuce B.4 (a eral J & E.25 0.10 - 507	JBEIAS	35 Cit Serv.	36 1877 - 7	-
1 1011 3 004 604 7	eraa atteraa gjarga stanna i Sigite	4754 1'44 A4 5' 46 26 2' 45 74 7 W.B.Blokemone, Jr. 962 5735		1:38 8 4:38 8 4:4 2 13 14 1 U.S.	1912 Janes Jose Lanes 1915 J QXY	
28 4139 87 8139 85 2139 85 4		U.S. 40 24 4140 26 3140 26 2140 64 1	Sonst Expl.4g	ULAS 4135 45 1154 45 149.84 1 (Senai Explay) 58 OXY 22M.1 4 14 2083	78.98 elas se slevad zlaven (22.8) de	4 1 GX 8-1-
I Joyce I I Co. M. I Co. M. I	· · ↓ // ↓ · · · · · · · · · · · · · · ·		4 1 30 Songt V:1406 4 Evp Ey 25 4 Crites Servies	LH 2083	7 OXY 5 + 1 + 93 55866	
y Wintershall OEG	11 5 11 11	(1000) (2	6 ii 90 3	2	i Touri	
56346 หรื US	State	State J & Foster	Foster) Stote	Mallare Kess M.//s TD 9400 B/A 5-80-68 [Christy 	ł
renshalt DES Union			State Yates Pet.,etal 1 · 1 · 93	OXY	⊗z "·· 1	м
56546 45141 39 8 1			LN 2084 26 25	Amaco 48 44 Trail Car- Jon Jan TC 10.800	56703 7011 7	
z ettes = = 1 VIS.	- Inexco Foster St. 1, T05450 1, D/A11-11-74	<i>Futs</i> ġ	IO	D/A 7 · 19 · 74)		
s T inexco ii 29-02 if Joyce J & Co. MI. J & ELAS Potterson	state	State	State	Siete	U.S. (1) 55 c (1)	
inerco I Zo BZ			Yotes Pet, % Yotes Orig, % AboPet, % Mycoind, %	Yates Fet.etal 6 · 1 · 30 v · 1470 2092	Josephine 1932 Heging 11-93 7-1-93 51atr 563#6 13-61-8	
4 2 Unitan B : 5 4-147 atta	11 11 11 11 11 17	16	15 15	LB 14	13 ⁵¹⁰¹⁰	
e cente metre metre			г		11 m 7	
1 2 2 2 2 2 2	ii ii State	State 24	23 store	J.B Foster State	US F.N. Critelli	
12-1-2- 44505	- Second Se		Yates Pet_etal 6- 1 + 90 V- 1471 20 <u>83</u>	Yates Pet, etal 6 1 90 V 1472 2099	F N. Crite"i Melbourne Concept %8 5.4225 31 31 3	As
				1	•	



			ຮ	JIL.	(BBL/MO)	- B	~ α <i>z</i>
Ī			·····	- <u></u>			
:	R						
-	2 Y		· · · · ·				
	8				· · · · · · · · · · · · · · · · · · ·		<u>* :</u>
1							·····
	2		· ····· ··· ···		· · · · · · · · · · · · · · · · · · ·		
	<u>.</u> दः						
1	8		<u></u>				
-			· · · · ·				
	2 (** 8						
	5 1						
Count Field Anna Anna Anna Anna Anna Anna Anna Ann	6			·····			
6 7 Q.A	7.17						
	8						
N N N N N N N N N N N N N N N N N N N	- 10						
DOY ESS EAS AURROY YATES E	8	,					
EAST BRON	з (M						
20	8				· · · · · · · · · · · · · · · · · · ·		
st okornow Y Diericy corp							
ब ह	R	<pre>//interface</pre>					
	3 14-						
	8						
S	- 1.						
a l	2						
	te inv						
ž ž	8						
	2	······································					
	8		· · · · · · · · · · · · · · · · · · ·				
<u>!</u> :	 t v						
	8						
Ĺ							
	्य _{१९२१}						
		a contra co					
	2 (** 8						
			<u></u>		in the state of the second		
	3 1 1				 A set of set of set of set 		
	5						
	3						
	- 1						