

DISTRICT I
1625 N French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
Revised August 1999

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

Operator Address
Big Freddy Unit 1 G 10-23S-22E Eddy

Lease Well No Unit Ltr.-Sec-Twp-Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO 025575 Property Code 217.17 API NO. 30-015-29734 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Undesignated Cisco	Undesignated Strawn	Undesignated Atoka
2. Top and Bottom of Pay Section (Perforations)	7368'-7384'	8671'-8677'	9125'-9199'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
5. Bottomhole Pressure	a.	a.	a.
Oil Zones - Artificial Lift: Estimated Current	260 psi FTP (no recent BHP measurement available)		
Gas & Oil - Flowing: Measured Current	b. (Original p* = 3942 from DST Analysis	b. 3769 (est)	b. 3971 (est)
All Gas Zones: Estimated or Measured Original			
6. Oil Gravity (EAPI) or Gas BTU Content	No Sample	No Sample	No Sample
7. Producing or Shut-In?	Shut-In	Shut-In	Shut-In
Production Marginal? (yes or no)	No	Yes	Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.</small>	Date: 11-26-97 Rates: 1377 mcf/gpd 0 BWPD 0 BOPD	Date: 11-09-97 Rates: 93 mcf/gpd 0 BWPD 0 BOPD	Date: 11-23-97 Rates: 257 mcf/gpd 0 BWPD 0 BOPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2-05-00 Rates:	Date: Rates:	Date: Rates:
	110 mcf/d + 0 bopd + 0 bwpd (total commingled production)		
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 80% Gas: 80%	Oil: 5% Gas: 5%	Oil: 15% Gas: 15%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable? Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of the application. Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S):

16. 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, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Albert R. Stall TITLE Operations Engineer DATE 3/2/00

TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505)748-4174