

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 South First Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
X Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes ____ No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street
Operator Address
Wager AWG State 4 D 34 9S 26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code _____ API No. 30-005-63306 Lease Type: ____ Federal X State
____ Fee

DATA ELEMENT	UPPER ZONE ✓	INTERMEDIATE ZONE UNDES.	LOWER ZONE ✓
Pool Name	Pecos Slope Abo	Foor Ranch Wolfcamp Gas	Foor Ranch Pre-Permian (Cisco)
Pool Code	82730	76750	76730
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4412-4760'	5398-5474	5682-5704'
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)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	New Zone	Producing
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.)	Rates: 88 mcf 0 bo 0 bw	Rates: 50 mcf 0 bo 0 bw	Rates: 71 mcf 0 bo 0 bw
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 42%	Oil Gas % 24%	Oil Gas 34%

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 ____ 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 James W. Pringle TITLE Operations Engineer DATE June 25, 2004
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505)-748-4182

DATE IN 7-30-04	SUSPENSE	ENGINEER Jones	LOGGED IN 8-2-04	TYPE DHC	APP NO. PSEM0421535742
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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Wager AWG State #4

30-005-63306

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James W. Pringle

Print or Type Name

James W. Pringle
 Signature

Operations Engineer

Title

6/23/04

Date

e-mail Address

2004 JUL 30 PM 1 24

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
DENNIS G. KINSEY
TREASURER

June 25, 2004

David Catanach
State of New Mexico
OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Pecos Slope Abo, Foor Ranch Wolfcamp Gas and the Foor Ranch Pre-Permian (Cisco) pools in our Wager AWG State #4 located in Unit D of Section 34, Township 9 South, Range 26 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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DENNIS G. KINSEY
TREASURER

June 25, 2004

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
811 S. First Street
Artesia, NM 88210

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Pecos Slope Abo, Foor Ranch Wolfcamp Gas and the Foor Ranch Pre-Permian (Cisco) pools in our Wager AWG State #4 located in Unit D of Section 34, Township 9 South, Range 26 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.

Thank you.

Sincerely,

A handwritten signature in black ink that reads 'James W. Pringle'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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1912 - 1985
FRANK W. YATES
1936 - 1986



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DENNIS G. KINSEY
TREASURER

June 25, 2004

Pete Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Mr. Martinez,

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Wager AWG State #4..

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

James W. Pringle
Operations Engineer

JWP/cm

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State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63306		³ Pool Name Pecos Slope Abo	
⁴ Property Code	⁵ Property Name Wager AWG State		⁶ Well Number 4
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3786'

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
D	34	9S	26E		660	North	660	West	Chaves

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 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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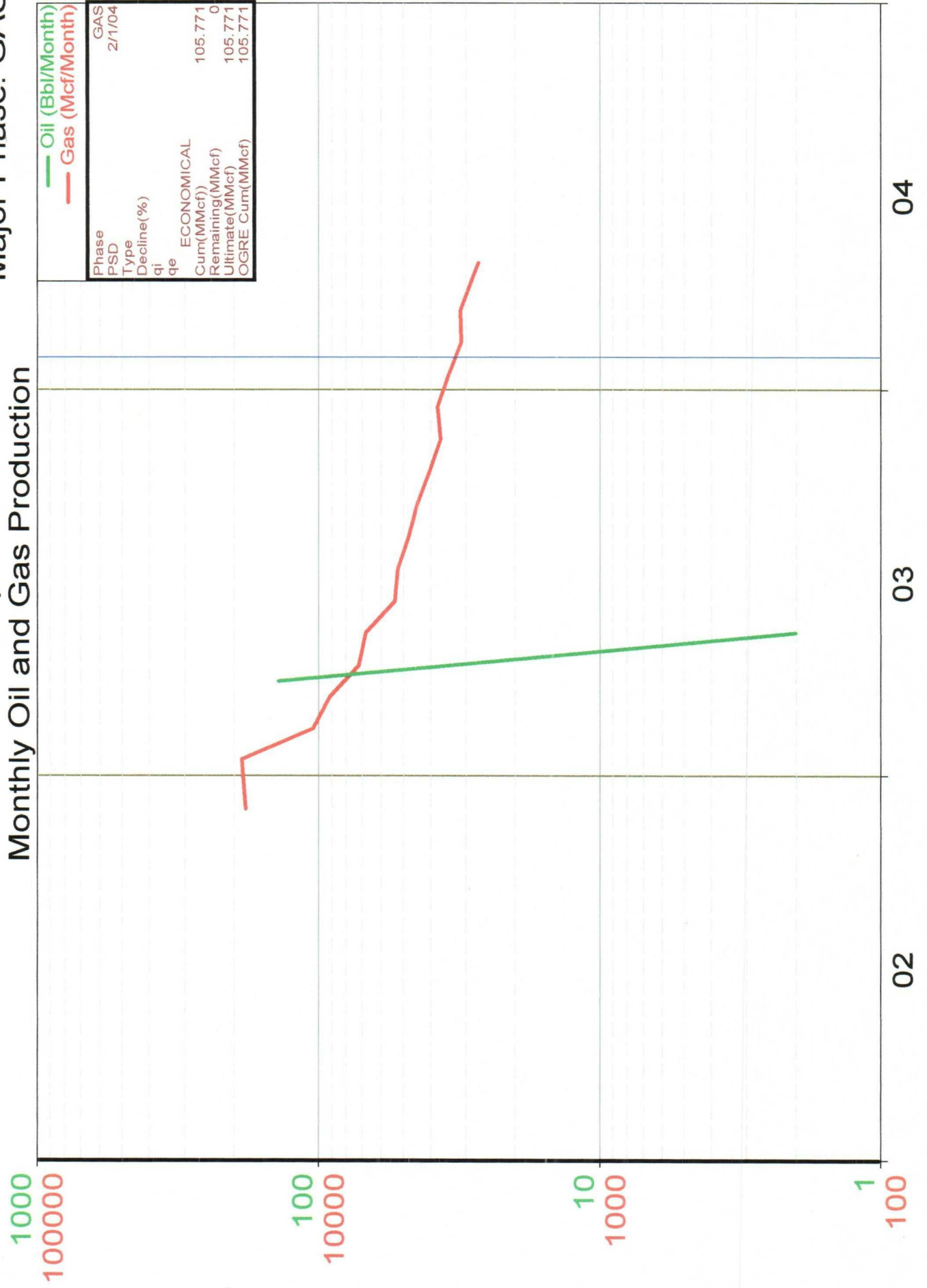
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Cherry Matchus</u> Cherry Matchus Printed Name Engineering Technician Title Date: <u>6/25/04</u>
					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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Property 1
WAGER AWG STATE 4
Pecos Slope Abo

Major Phase: GAS

Monthly Oil and Gas Production



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 Revised August 15, 2000

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 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63306		³ Pool Name Foor Ranch Pre-Permian (Cisco)	
⁴ Property Code	⁵ Property Name Wager AWG State		⁶ Well Number 4
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3786'

¹⁰ Surface Location									
UL or lot no. D	Section 34	Township 9S	Range 26E	Lot Idn	Feet from the 660	North/South line North	Feet from the 660	East/West line West	County Chaves

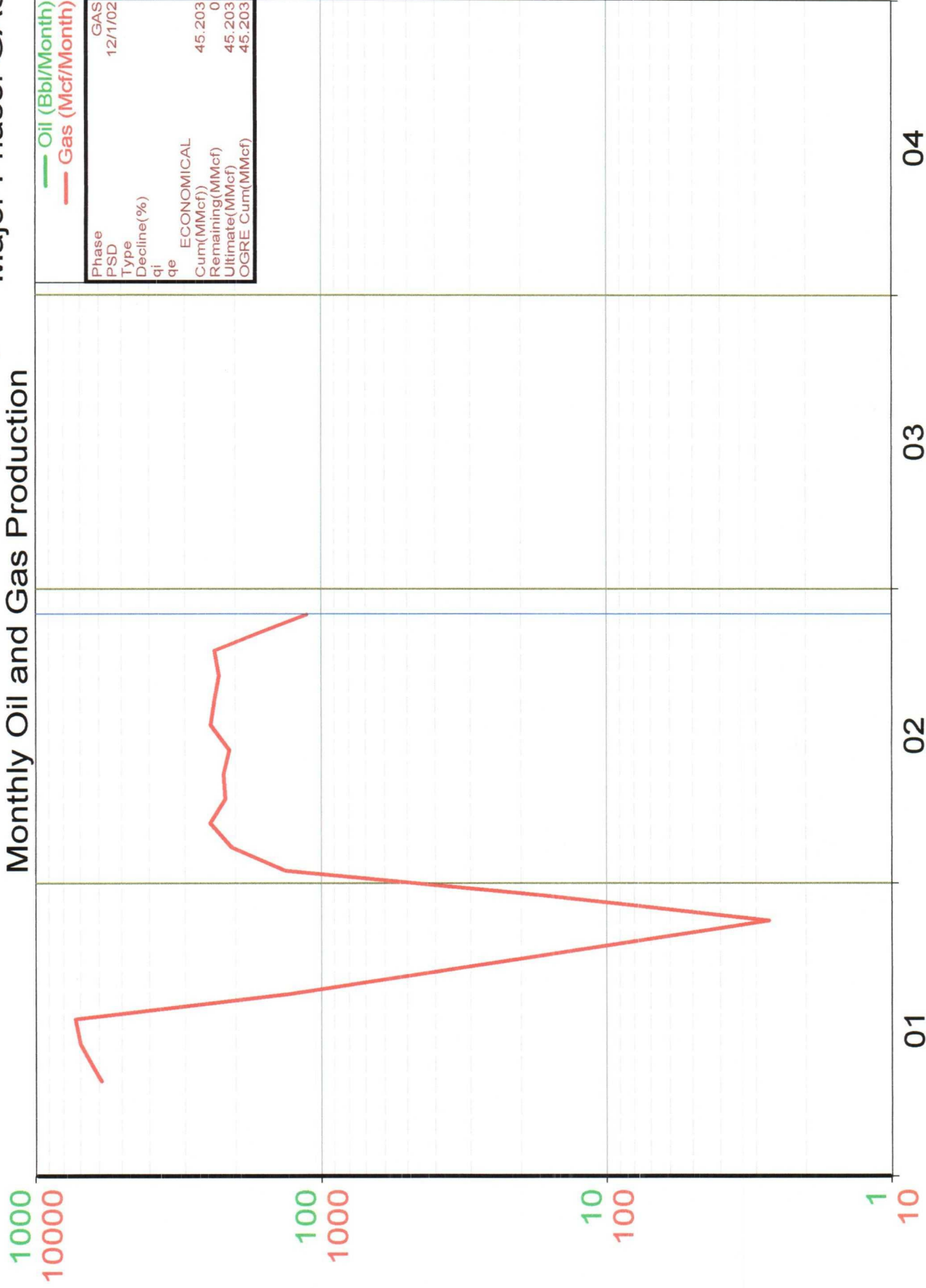
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <u>Cherry Matchus</u></p> <p>Cherry Matchus</p> <p>Printed Name</p> <p>Engineering Technician</p> <p>Title</p> <p>Date: <u>6/25/04</u></p>

Property 3 WAGER AWG STATE 4 Foor Ranch Pre-Permian (Cisco) Monthly Oil and Gas Production

Major Phase: GAS



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Form C-102
 Revised August 15, 2000

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 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63306		³ Pool Name Foor Ranch Wolfcamp Gas	
⁴ Property Code	⁵ Property Name Wager AWG State		⁶ Well Number 4
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3786'

¹⁰ Surface Location

UL or lot no. D	Section 34	Township 9S	Range 26E	Lot Idn	Feet from the 660	North/South line North	Feet from the 660	East/West line West	County Chaves
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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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¹⁷ OPERATOR CERTIFICATION

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

Signature Cherry Matchus
Cherry Matchus

Printed Name
Engineering Technician

Title

Date: 6/25/04

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

The Foor Ranch Wolfcamp Gas is a new zone and production curves are not available.

YATES PETROLEUM CORPORATION

(505) 748-1471

105 SO. 4TH - ARTESIA, NEW MEXICO - 88210

95692

CODE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1	CUMMINS WAGER #4	06/04	30.00	.00	30.00
			TOTAL FOR CHECK		30.00

CODES

1 - YOUR INVOICE

2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.



32-2
1110



(505) 748-1471

105 SOUTH 4TH STREET

ARTESIA, NEW MEXICO - 88210

DATE 6/22/2004 VENDOR NO. 570495

*****500DOLLARS*****00CENTS

PAY TO THE ORDER OF:

MARTINEZ, PETE

STATE OF NM COMMISSIONER OF

PO BOX 1148

SANTA FE

NN 97504 1148

Tom Kelly



95692

1095692 111000025 004790751021