

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
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3411

Yates Petroleum Corporation 105 South Fourth Street
Operator Address

Atoka Bank State Unit 1 O 17 24S 33E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code _____ API No. 30-025-36594 Lease Type Federal State Fee

| DATA ELEMENT | UPPER ZONE <i>UPPER EAST TRISTE</i> | INTERMEDIATE ZONE | <i>UNDES</i> LOWER ZONE <i>EAST TRISTE DRAW</i> |
|---|--|-------------------|--|
| Pool Name <i>Draw</i> | <i>Wildcat Atoka G</i> | | <i>Wildcat Morrow G</i> |
| Pool Code | <i>86430</i> | | <i>96765</i> |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 14422-14431' | | 15659'-15728' |
| Method of Production (Flowing or Artificial Lift) | 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) | NA | NA | NA |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | NA | NA | NA |
| Producing, Shut-In or 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.) | Not completed at this time | | Not completed at this time |
| 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 To be submitted upon completion | Oil Gas | Oil Gas To be submitted upon completion. |

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 Sam Brandon TITLE Operations Engineer DATE : February 17, 2005
TYPE OR PRINT NAME: Sam Brandon TELEPHONE NO. (505)-748-4281

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



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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

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FEB 22 2005

OIL CONSERVATION
DIVISION

February 17, 2005

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 the Wildcat Atoka and Wildcat Morrow pools in our Atoka Bank State Unit No. 1 located in Unit O of Section 17, Township 24 South, Range 33 East, Lea County.

If you have any questions or need additional information, please call me at (505) 748-4281.

Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Sam Brandon
Operations Engineer

SB/cm

Enclosures

The Wildcat Atoka and Wildcat Morrow are new zones, not yet completed and production curves are not available.