

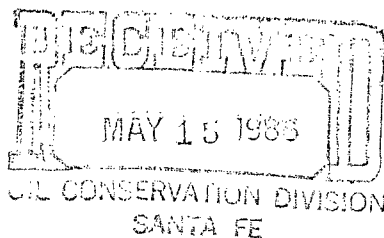


207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

May 14, 1986



Mr. Richard L. Stamets
Division Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Request for Exception to Rule
303-A, Downhole Commingling

Dear Mr. Stamets:

We respectfully request your approval to commingle in the wellbore production from the South Upper Kemnitz Wolfcamp Pool and the Kemnitz Lower Wolfcamp Pool. The following information is submitted for your consideration in this matter:

- (1). Operator - Yates Petroleum Corp.
105 So. 4th St.
Artesia, New Mexico 88210
ATTN: Albert R. Stall, Engineer
- (2). Lease - Vacuum North ADJ St. No. 1
Unit D Sec. 34, T. 16S., R. 34E.
Lea County, New Mexico
State Oil and Gas Lease LG3562
- (3). A plat of the area (Exhibit A) shows the offset operators to the Vacuum North ADJ St. No. 1.
- (4). A daily schedule of commingled production (Exhibit B) is attached. This schedule reflects a combined production from both pools of approximately 3 barrels of oil per day. Prior to commingling, the lower zone (10713-10756') swab tested seven barrels of oil and one barrel of water on the last day of testing this zone. Similarly, the upper zone (10185-10195') tested one and one-half barrels of oil and two and one-half barrels of water on the last day of swab testing. The upper and lower zones were then retreated with 10,000 gallons and 14,000 gallons of acid, respectively. The well was placed on rod pump with both zones open and no further testing. Well completion was reported after several days of pump testing as 13 BOPD and gas too small to measure. A copy of N.M.O.C.D. Form C-105 is attached (Exhibit C).

Future production from both zones combined is expected to continue at an average of approximately three barrels of oil per day.

- (5). Bottomhole pressure of the lower zone was measured as 1684 psia after 73 hours shut-in time (Exhibit D). Bottomhole pressure of the upper zone was measured as 1951 psia after 72 hours shut-in time (Exhibit E). Both zones are being rod pumped so there should be no possibility of a cross flow between zones.
- (6). Fluid Characteristics - Kemnitz Lower Wolfcamp oil from this well is 34° API at 60°F. South Upper Kemnitz oil is 38° API at 60°F. Combined oil from both zones is 36° API at 60°F.
- (7). Value of products - Because the oil gravities are very similar, there is no reduction in the average price paid for the oil. Gas production from the well is too small to measure.
- (8). Allocation of production will be based on results of swab testing (refer to paragraph (4) above). On this basis, 82 percent of production will be attributed to the lower zone and 18 percent to the upper zone. Ownership interests are the same in both zones.
- (9). A certified return receipt letter has been sent on this date to the following offset operators to notify them of our intention to commingle the South Kemnitz Upper Wolfcamp and Kemnitz Lower Wolfcamp zones in this well. A copy of the letter is attached (Exhibit F).

Elk Oil Company
Security Natl. Bank Bldg.
Roswell, New Mexico 88201

Mobil Producing TX & NM, Inc.
P.O. Box 633
Midland, Texas 79702

Shell Western Expl.
P.O. Box 576
Houston, Texas 77001

Additionally, in view of the marginal nature of this well, we respectfully request assignment of a forty (40) acre proration unit as provided by Rules for the South Upper Kemnitz Wolfcamp Pool and Rule 104. Such assignment will avoid the added complication of nonstandard location that will occur if the well is spaced for eighty (80) acres as provided by Rules for the Kemnitz Lower Wolfcamp Pool. Ownership interests will not be effected.

*South - 40 acres
lower - 80 acres*

Mr. Richard L. Stamets
Page -3-

Thank you for your consideration in this matter. If additional information is required, please call.

Sincerely,

A handwritten signature in cursive script that reads "Albert R. Stall".

Albert R. Stall
Engineer

Attachments

xc: MOCB-Hobbs
ATTN: Jerry Sexton

ENGINEER DAILY PRODUCTION SYSTEM

EXHIBIT "B"

PRODUCTION DATA INQUIRY REPORT
LEASE - 55850 VACUUM NORTH AUL ST COM
DATE RANGE 2/01/86 - 5/13/86

	DATE	REPORTED OIL (BMS)	CODE	REPORTED H2O (BRLS)	REMARKS	PUMPER
7	3/19/86	.00		10.00		15 BOB SIMPSON
8	3/20/86	6.00		22.00		15 BOB SIMPSON
9	3/21/86	5.00		20.00		15 BOB SIMPSON
10	3/22/86	7.00		13.00		15 BOB SIMPSON
11	3/23/86	6.00		13.00		15 BOB SIMPSON
12	3/24/86	6.00		16.00		15 BOB SIMPSON
13	3/25/86	5.00		13.00		15 BOB SIMPSON
14	3/26/86	6.00		14.00		15 BOB SIMPSON
15	3/27/86	4.00		11.00		15 BOB SIMPSON
16	3/28/86	4.00		12.00		15 BOB SIMPSON
17	3/29/86	.00		.00	FRAC	15 BOB SIMPSON
18	3/30/86	.00		.00		15 BOB SIMPSON
19	3/31/86	14.04		.00		15 BOB SIMPSON
20	4/01/86	3.50		12.00		15 BOB SIMPSON
21	4/02/86	.00		12.00	TRAN 64 OIL FROM FRAC TK	15 BOB SIMPSON
22	4/03/86	3.50		12.00		15 BOB SIMPSON
23	4/04/86	3.50		10.00		15 BOB SIMPSON
24	4/05/86	3.50		10.00		15 BOB SIMPSON
25	4/06/86	3.50		9.00		15 BOB SIMPSON
26	4/07/86	4.66		9.00		15 BOB SIMPSON
27	4/08/86	3.50		10.00		15 BOB SIMPSON
28	4/09/86	2.33		9.00		15 BOB SIMPSON
29	4/10/86	.00	SI	.00	WELL DOWN	15 BOB SIMPSON
30	4/11/86	.00		.00		15 BOB SIMPSON
31	4/12/86	.00	SI	.00	SI	15 BOB SIMPSON
32	4/13/86	.00		.00		15 BOB SIMPSON
33	4/14/86	.00		.00		15 BOB SIMPSON
34	4/15/86	.00		.00		15 BOB SIMPSON
35	4/16/86	.00		.00		15 BOB SIMPSON
36	4/17/86	12.83		35.00		15 BOB SIMPSON
37	4/18/86	.00		.00		15 BOB SIMPSON
38	4/19/86	.00		.00	WELL DOWN	15 BOB SIMPSON
39	4/20/86	.00		.00		15 BOB SIMPSON
40	4/21/86	.00		.00		15 BOB SIMPSON
41	4/22/86	.00		.00		15 BOB SIMPSON
42	4/23/86	.00		.00		15 BOB SIMPSON
43	4/24/86	.00		.00		15 BOB SIMPSON
44						
45						

ENERG1 DAILY PRODUCTION SYSTEM

PRODUCTION DATA INQUIRY REPORT

LEASE - 55850 VACUUM NORTH ADJ ST COM

DATE RANGE 2/01/86 5/13/86

	DATE	REPORTED OIL(BBLS)	CODE	REPORTED H2O(BBLS)	REMARKS	PUMPER
7	4/25/86	21.00		45.00		15 BOB SIMPSON
8	4/26/86	.00		.00		15 BOB SIMPSON
9	4/27/86	.00		.00		15 BOB SIMPSON
10	4/28/86	.00		.00		15 BOB SIMPSON
11	4/29/86	.00		.00		15 BOB SIMPSON
12	4/30/86	.00		.00		15 BOB SIMPSON
13	5/01/86	24.57		.00		15 BOB SIMPSON
14	5/02/86	.00		.00		15 BOB SIMPSON
15	5/03/86	.00		.00		15 BOB SIMPSON
16	5/04/86	.00		.00		15 BOB SIMPSON
17	5/05/86	.00		.00		15 BOB SIMPSON
18	5/06/86	.00		.00		15 BOB SIMPSON
19	5/07/86	.00		.00		15 BOB SIMPSON
20	5/08/86	.00		.00		15 BOB SIMPSON
21	5/09/86	.00		.00		15 BOB SIMPSON
22	5/10/86	.00		.00		15 BOB SIMPSON
23	5/11/86	.00		.00		15 BOB SIMPSON
24						
25						
26	*** TOTAL	149.43		317.00		
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OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

FORM C-103
Revised 10-1-78

EXHIBIT "C"

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.O.S.	
LAND OFFICE	
OPERATOR	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State ☒ Fee ☐
5. State Oil & Gas Lease No.
LG 3562

1a. TYPE OF WELL		OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐		7. Unit Agreement Name	
b. TYPE OF COMPLETION		NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐		8. Farm or Lease Name	
2. Name of Operator		Yates Petroleum Corporation		9. Well No.	
3. Address of Operator		207 South 4th St., Artesia, NM 88210		10. Field and Pool, or Wildcat	
4. Location of Well		UNIT LETTER <u>D</u> LOCATED <u>833</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM <u>West</u> LINE OF SEC. <u>34</u> TWP. <u>16S</u> RGE. <u>34E</u> NMPM		12. County	
15. Date Spudded		12-1-85		18. Elevations (DF, RKB, RT, GR, etc.)	
16. Date T.D. Reached		1-13-86		19. Elev. Casinghead	
17. Date Compl. (Ready to Prod.)		4-17-86		4008.5' GR	
20. Total Depth		13200'		21. Plug Back T.D.	
22. If Multiple Compl., How Many		10917'		23. Intervals Drilled By	
24. Producing Interval(s), of this completion - Top, Bottom, Name		10713-56'; 10185-95' Permo Penn		25. Was Directional Survey Made	
25. Type Electric and Other Logs Run		CNL/FDC; DLL		27. Was Well Cored	
				No	

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	61 & 54.5#	538'	17-1/2"	550 SX	
8-5/8"	32#	4593'	11"	1400 SX	
5-1/2"	17 & 20#	13198'	7-7/8"	1125 SX	

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	10741'	

31. Perforation Record (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
10185-95' w/11 .50" holes				DEPTH INTERVAL			
10713-56' w/14 .50" holes				AMOUNT AND KIND MATERIAL USED			
				10185-95' w/1500g. 15% acid+4500g. Pad +			
				10000g. 20% acid.			
				10713-56' w/2500g. 15% acid+8500g. Pad +			
				14000g. 20% acid.			

33. PRODUCTION	
Date First Production	3-20-86
Production Method (Flowing, gas lift, pumping - Size and type pump)	Pumping
Well Status (Prod. or Shut-in)	Producing
Date of Test	4-17-86
Hours Tested	24
Choke Size	-
Prod'n. For Test Period	13
Oil - Bbl.	13
Gas - MCF	TSTM
Water - Bbl.	35
Gas - Oil Ratio	-
Flow Tubing Pres.	-
Lining Pressure	-
Calculated 24-Hour Rate	13
Oil - Bbl.	13
Gas - MCF	TSTM
Water - Bbl.	35
Oil Gravity - API (Corr.)	36-38°

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	TSTM
Test Witnessed By	Norbert McCaw

35. List of Attachments	Deviation Survey, DST's
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36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

TITLE

Production Supervisor

DATE

4-30-86



BENNETT-CATHEY WIRE LINE SERVICE

P. O. BOX 787

ARTESIA, NEW MEXICO 88210

Phone (505) 746-3281



BOTTOM HOLE PRESSURE SURVEY REPORT

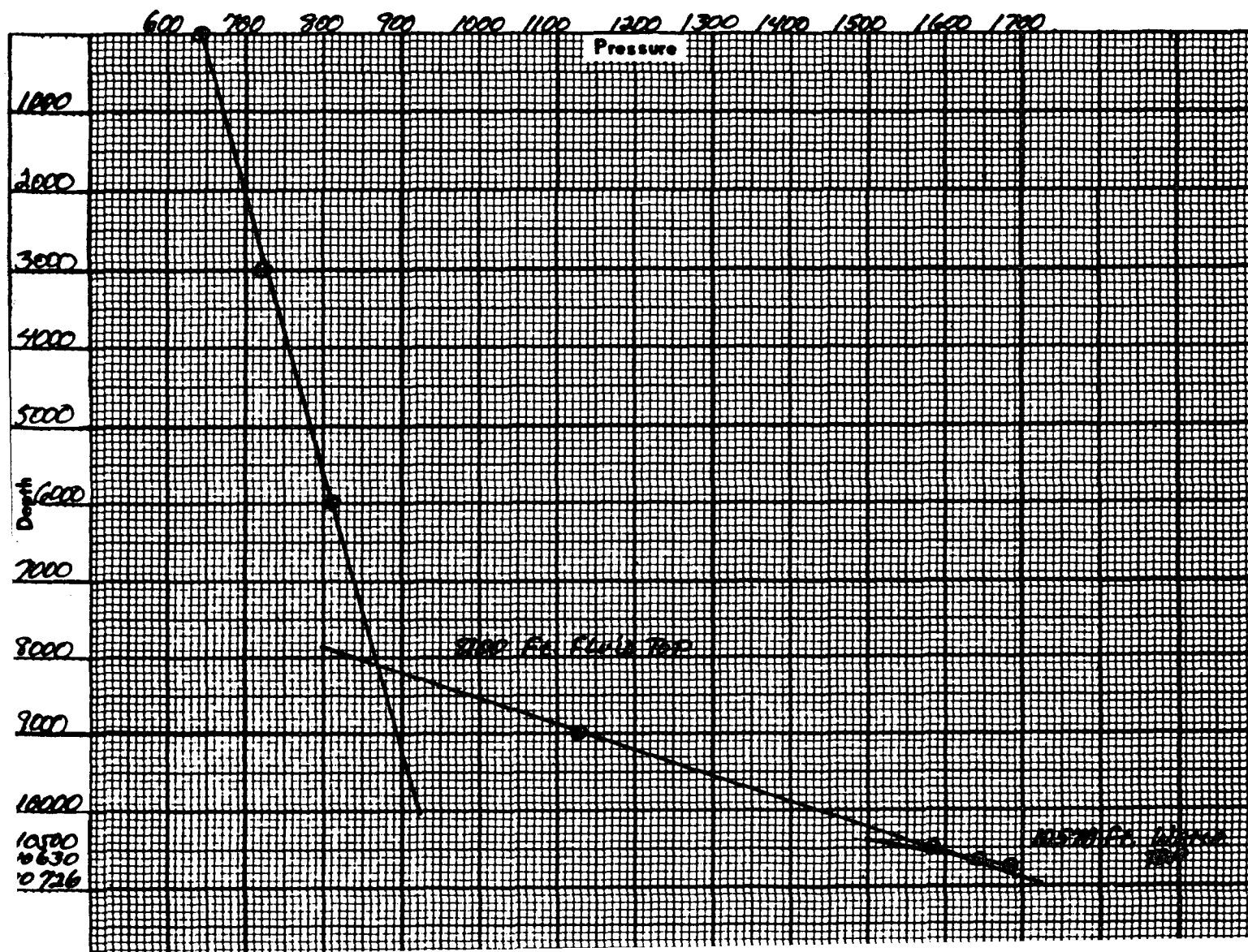
OPERATOR YATES PETROLEUM CORPORATION
 LEASE NORTH VACUUM "ADJ" STATE COM
 WELL NO. #1
 POOL FORMATION KEMNITZ
 DATE 02-20-86 TIME 1235 HRS
 CO. MAN HARVEY APPLE
 STATUS SHUT IN TEST DEPTH 10630 FEET
 TIME S.I. 1125 HR LAST TEST DATE 1ST TEST
02-17-86 BHP LAST TEST
 TUB. PRES. 630# BHP CHANGE
 CAS. PRES. FLUID TOP 8100 FEET
 DATUM PLANE WATER TOP 10570 FEET
 DATUM PSIA 1684# RUN BY PETE HERNANDEZ
 TEMP 172° CLOCK # 3443
 PRESSURE RANGE 7250#
 ELEMENT NO. RPG3# 46950

DEPTH	PSIA PRESSURE	LB/100FT GRADIENT
0	643.2	
3000	723.2	2.6
6000	810.2	2.9
9000	1129.2	10.6
10500	1583.2	30.3
10630	1641.2	44.6
10726	1684.2	44.7

10726 FEET IS EXTRAPOLATE
 PERFORATION: 10705 TO 10748
 LENGTH OF TIME WELL SHUT IN 73 HRS & 10 MIN
 BHP MEASURED AT 1235 HRS. 2-20-86

Correlation
 Log Depth
 Open Hole
 Log Depth Is

10713 - 10756'



TEST DATE: 02/17/86 TO 02/20/86
TEST DEPTH: 10630 ft
ELEMENT NO: RPC3#46950
RANGE: 7250 psi g
CLOCK: 27193
RANGE: 72 hrs
OPERATOR: BO FAULKENBERRY

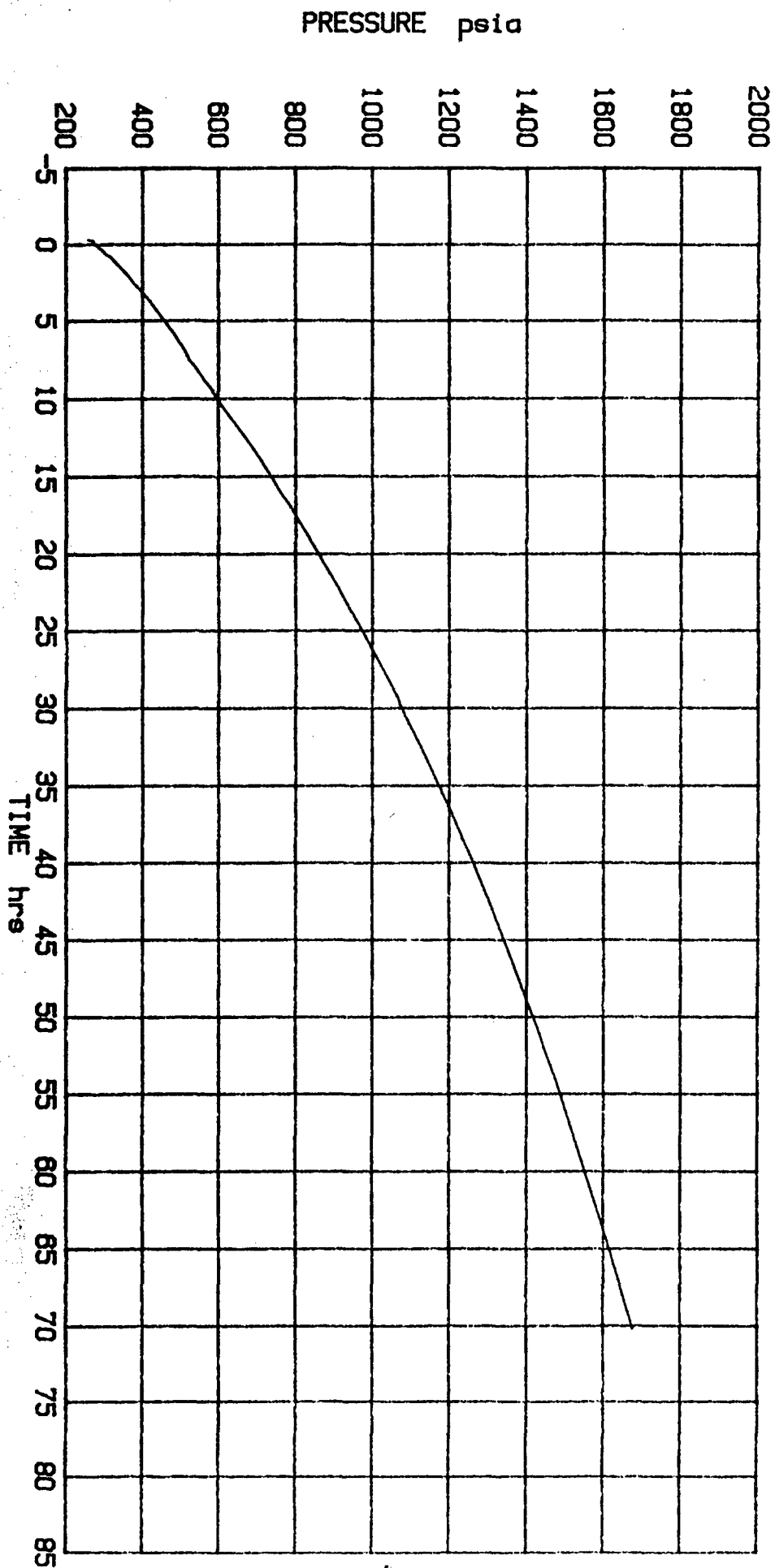
HARVEY APPLE

YATES PETROLEUM CORPORATION

NORTH VACUUM "ADJ" STATE COM #1

BENNETT-CATHEY WIRE LINE SERVICE

Box 787 Artesia, N.M. 88210 (505) 748-3354





BENNETT-CATHEY WIRE LINE SERVICE

P. O. BOX 787

ARTESIA, NEW MEXICO 88210

Phone (505) 746-3281



BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR YATES PETROLEUM CORP.
 LEASE NORTH MACUUM "ADJ"
 WELL NO. 1
 POOL FORMATION KEMNITZ
 DATE 3-3-86 TIME 1357 HOURS
 CO. MAN HARVEY APPLE
 STATUS SHUT IN TEST DEPTH 10125'
 TIME S.I. 1323 HRS LAST TEST DATE 2-17-86
2-28-86 BHP LAST TEST 1684
 TUB. PRES. 1333.2 BHP CHANGE + 267
 CAS. PRES. FLUID TOP 9420'
 DATUM PLANE WATER TOP
 DATUM PSIA 1951.2 RUN BY BO FAULKENBERRY
 TEMP 180° CLOCK # 33842
 PRESSURE RANGE 6950#
 ELEMENT NO. RPG3#23972

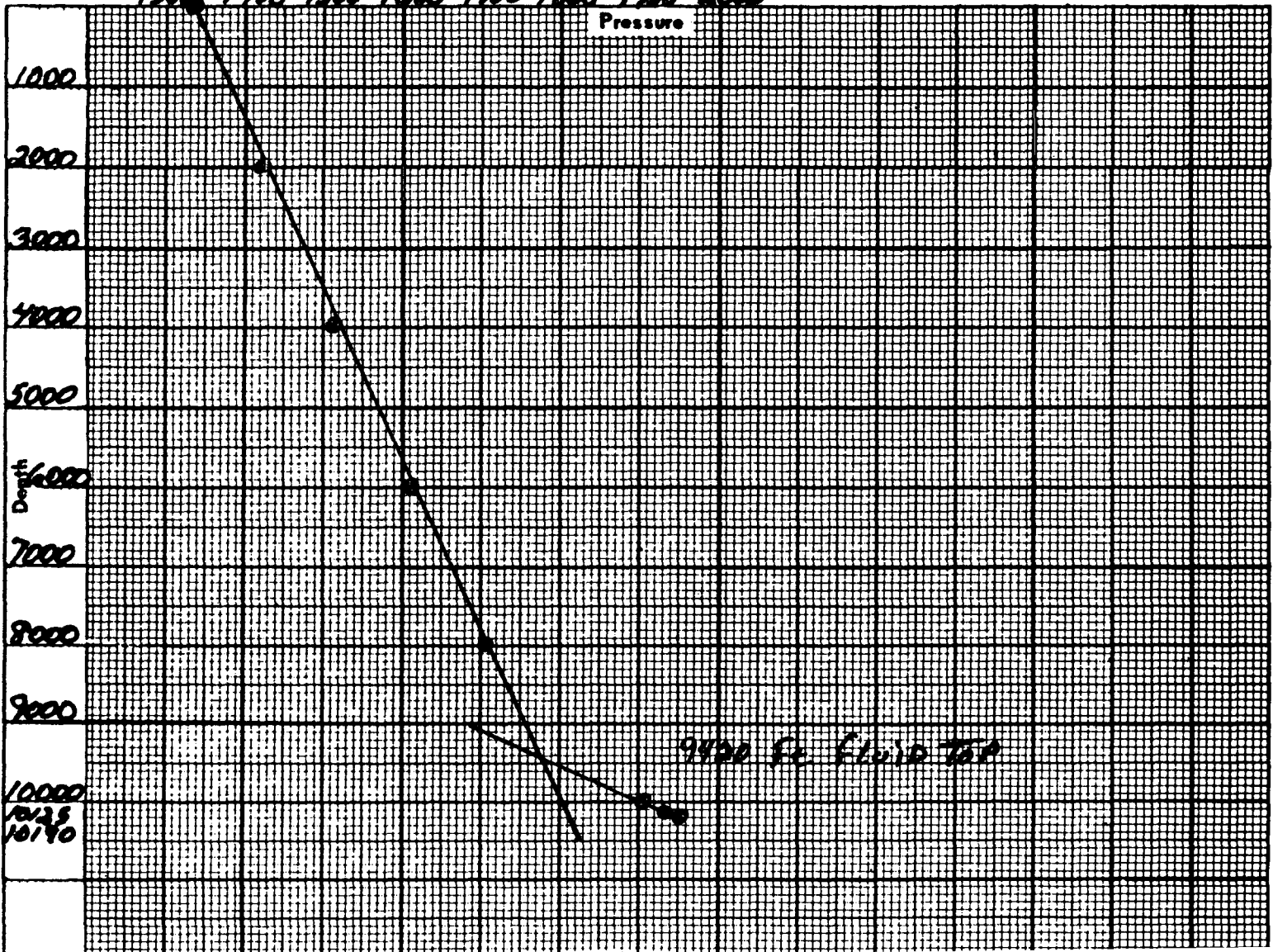
DEPTH	PSIA PRESSURE	LBS/100 FT GRADIENT
0	1333.2	
2000	1421.2	4.4
4000	1512.2	4.5
6000	1611.2	4.9
8000	1706.2	4.8
10000	1906.2	10.0
10125	1935.2	23.2
10190	1951.2	24.6

10190 FEET WAS EXTRAPOLATED

TIME B.H.P. MEASURED 1357 HOURS

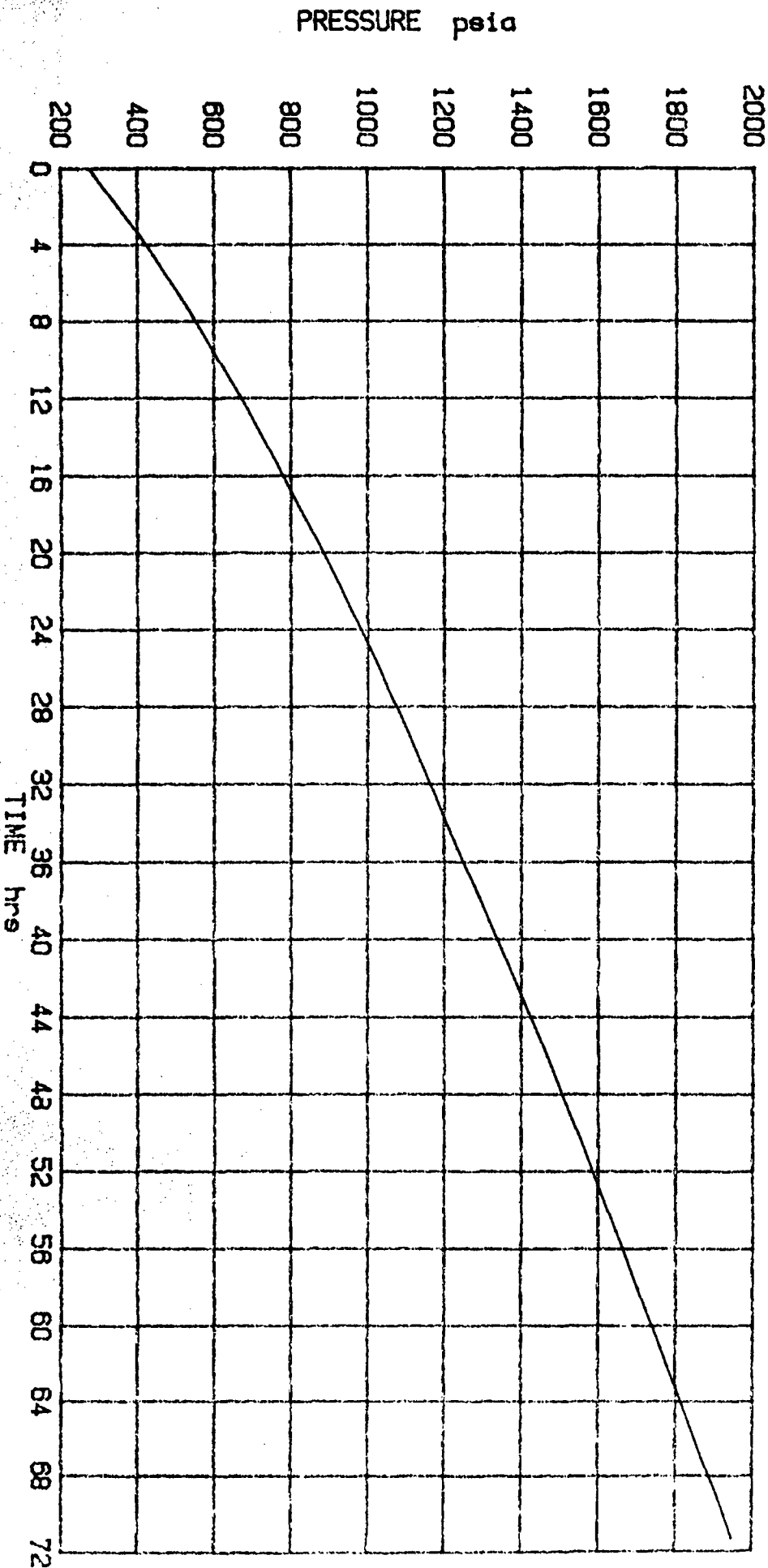
 LENGTH OF TIME WELL SHUT IN
 72 HRS 34 MINUTES

PERFORATIONS FROM 10185 TO 10195

 1300 1400 1500 1600 1700 1800 1900 2000
 Pressure


TEST DATE: 02/28/86 TO 03/03/86
 TEST DEPTH: 10125 ft
 ELEMENT NO: RFG#23972
 RANGE: 6950 psi
 CLOCK: 33842
 RANGE: 72 hrs
 OPERATOR: BO FAULKENBERRY

HARVEY APPLE
YATES PETROLEUM CORPORATION
NORTH VACCUM "ADJ" #1
BENNETT-CATHEY WIRE LINE SERVICE
Box 787 Artesia, N.M. 88210 (505) 748-3354





207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

EXHIBIT "F"

S. P. YATES

PRESIDENT

MARTIN YATES, III

VICE PRESIDENT

JOHN A. YATES

VICE PRESIDENT

B. W. HARPER

SEC. TREAS.

May 14, 1986

TO: All Offset Operators

RE: Vacuum North ADJ State No. 1
NW/NW Sec.34,T.16S.,R.34E.
Lea County, New Mexico
State Lease LG3562

Gentlemen:

Yates Petroleum Corporation is seeking approval to downhole commingle production from the South Upper Kemnitz Wolfcamp Pool and the Kemnitz Lower Wolfcamp Pool in our referenced well. The well is already completed in this manner pumping an average combined production of three barrels of oil per day. Before the New Mexico Oil Conservation Division can approve our application, all offset operators must be notified.

If no objections are submitted to the Oil Conservation Division within twenty (20) days, they may give authority for downhole commingling in the subject well. If you have any questions, please call.

Sincerely,

Albert R. Stall
Engineer

xc: NMOCD-Santa Fe
NMOCD-Hobbs

YATES PETROLEUM CORPORATION
VACUUM NORTH ADJ ST. NO. 1
COMPENSATED NEUTRON-LITHO DENSITY

10100

10200

10300

YATES PETROLEUM CORPORATION
VACUUM NORTH ADJ ST. NO. 1
COMPENSATED NEUTRON-LITHO DENSITY

10700

10800



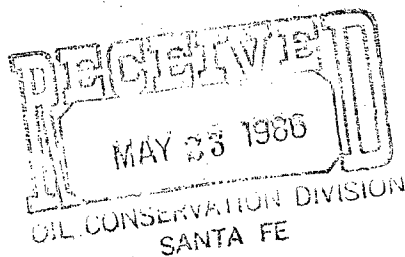
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

May 19, 1986

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1960
HOBBS, NEW MEXICO 86240
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501



RE: Proposed:

MC	_____
DHC	_____ X _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

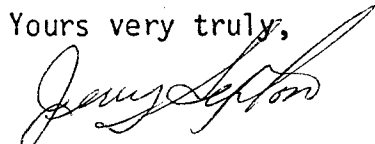
I have examined the application for the:

Yates Petroleum Corporation	N. Vacuum ADJ St Com #1-D	34-16-34
Operator	Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,


Jerry Sexton
Supervisor, District 1

/mc