



DHC-1532

COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

April 9, 1997

Yates Petroleum Corporation  
105 South 4th Street  
Artesia, New Mexico 88210

Attn: Mr. Morris Keith

Re: Downhole Commingling Application  
Coriander AOC State Well No. 2  
Unit Letter H, Section 1-23S-32E  
West Red Tank Delaware and Red Tank Bone Spring Pools  
Lea County, New Mexico

Dear Mr. Keith:

We are in receipt of your application of March 25, 1997, requesting our approval to downhole commingle the production from the above subject well from the West Red Tank Delaware and Red Tank Bone Spring Pools in Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
West Red Tank Delaware	25%	0%
Red Tank Bone Spring	75%	100%
	-----	-----
	100%	100%

Yates Petroleum Corporation

April 9, 1997

Page 2

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

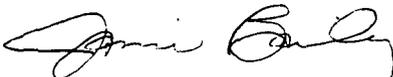
Your filing fee in the amount of \$30.00 has been received.

Also, please submit a copy of the Oil Conservation Division's Commingling Order.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach, Ben Stone

DHC 4/17/97

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

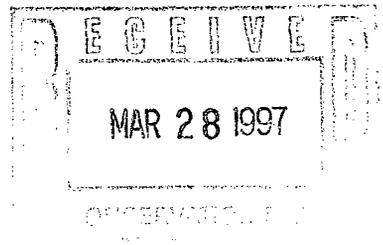


1532

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

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

March 25, 1997



David Catanach  
State of New Mexico  
OIL CONSERVATION DIVISION  
2040 S. Pacheco Street  
Santa Fe, NM 87505-5472

Dear Mr. Catanach,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Coriander AOC State #2 located in Unit H of Section 1, Township 23 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith  
Engineer

MK/th

Enclosures

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



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

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SECRETARY  
DENNIS G. KINSEY  
TREASURER

March 25, 1997

Jerry Sexton  
State of New Mexico  
OIL CONSERVATION DIVISION  
P. O. Drawer 1980  
Hobbs, NM 88240

Dear Mr. Sexton,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Coriander AOC State #2 located in Unit H of Section 1, Township 23 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Morris Keith'.

Morris Keith  
Engineer

MK/th

Enclosures

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



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

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PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

March 25, 1997

Pete Martinez  
State of New Mexico  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
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 Coriander AOC State #2.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,



Morris Keith  
Engineer

MK/th

Enclosures

**DISTRICT I**

P.O. Box 1980, Hobbs, NM 88241-1980

**DISTRICT II**

811 South First St., Artesia, NM 88210-2835

**DISTRICT III**

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

**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 S. Fourth Street

Artesia, NM 88210

Operator

Address

Coriander AOC State

2

H-1-23S-32E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 025575

Property Code 019307

API NO. 30-025-33574

Spacing Unit Lease Types: (check 1 or more)

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	West Red Tank Delaware 51689		Red Tank Bone Spring 51683
2. Top and Bottom of Pay Section (Perforations)	7086'-7656'		9007'-9045'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure  Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1180	a.	a. (Current) 1220
	b. (Original) 2276	b.	b. (Original) 2650
6. Oil Gravity ( API) or Gas BTU Content	42		42.4
7. Producing or Shut-In?	Producing		Below RBP @ 8900'
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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	Date: Rates:	Date: Rates:	Date: 2-18-97 Rates: 7 BOPD 51 MCFGPD 5 BWPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 3-17-97 Rates: 2 BOPD 0 MCFGPD 137 BWPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 25% Gas: 0%	Oil: % Gas: %	Oil: 75% Gas: 100%

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 Land Management has been notified in writing of this 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 all offset operators.
- \* 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                     *Morris Keith*                     TITLE           Operations Engineer           DATE           3/25/97          

TYPE OR PRINT NAME           Morris Keith           TELEPHONE NO.           (505) 748-1471          

---

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33574		Pool Code 51689	Pool Name West Red Tank Delaware
Property Code 019307	Property Name Coriander AOC State		Well Number 2
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3731'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	23S	32E		1650	North	330	East	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

16				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <hr/> <p>Signature Tina Huerta</p> <hr/> <p>Printed Name Operations Technician</p> <hr/> <p>Title</p> <hr/> <p>Date</p>
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <hr/> <p>REFER TO ORIGINAL PLAT</p> <hr/> <p>Date of Survey</p> <hr/> <p>Signature and Seal of Professional Surveyor:</p>
				<hr/> <p>Certificate Number</p>

Production curves for both zones are not available. The West Red Tank Delaware has produced less than a month.

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 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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Form C-102  
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 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33574		2 Pool Code 51683		3 Pool Name Red Tank Bone Spring	
4 Property Code 019307		5 Property Name Coriander AOC State			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3731'

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
H	1	23S	32E		1650	North	330	East	Lea

11 Bottom Hole Location If Different From Surface

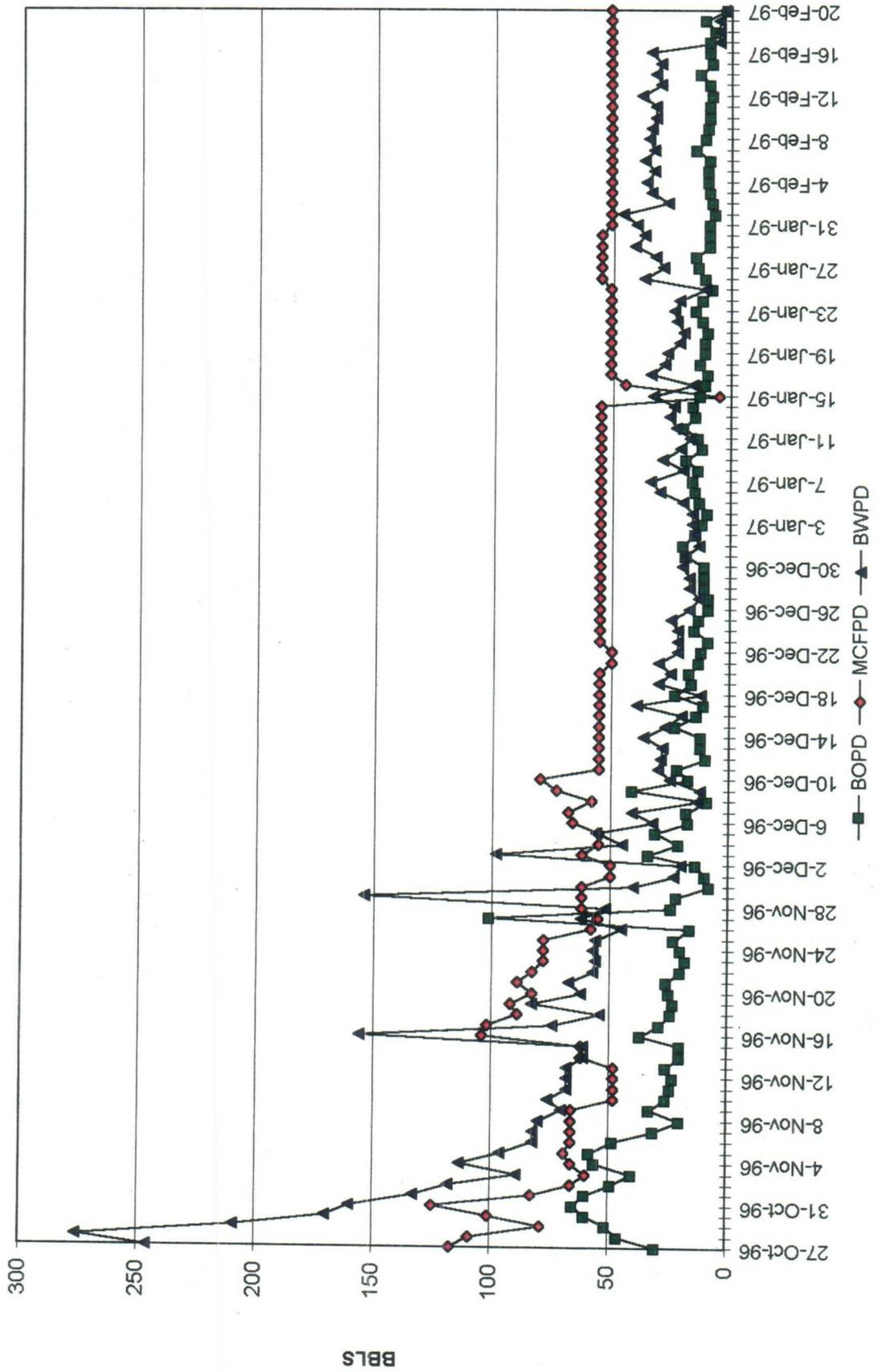
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
				Signature Tina Huerta Printed Name Operations Technician Title	
				Date	
			18 SURVEYOR CERTIFICATION <i>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.</i>		
			REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer:		
			Certificate Number		

# CORIANDER AOC STATE #2 RED TANK BONE SPRINGS PRODUCTION





There are no offset operators in this area.

DHC-1532



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

3/31/97

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

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 Corp Coriander ADB State # 2-H 1-235-32e  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

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Yours very truly

*Jerry Sexton*  
 Jerry Sexton  
 Supervisor, District 1

/ed