

DHC

1/5/98

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



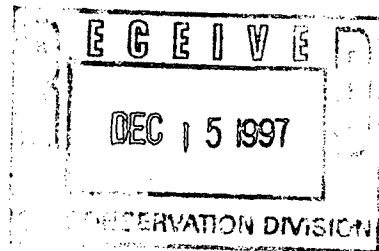
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

1781

December 8, 1997

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



Dear Mr. Catanach,

Enclosed is an APPLICATION FOR DOWNHOLE COMMINGLING, NMOCD Form C-107-A, for the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Chaves County, New Mexico. Also enclosed are ATTACHMENTS required by the application.

Yates Petroleum Corporation hereby seeks administrative approval of the application.

If additional information is needed or there are questions, please call me at (505) 748-4182. Thank you for your consideration of this matter.

Sincerely,

Morris Keith
Operations Engineer

MK/th

Enclosures

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December 8, 1997

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

Dear Mr. Gum,

Enclosed is an APPLICATION FOR DOWNHOLE COMMINGLING, NMOCD Form C-107-A, for the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Chaves County, New Mexico. Also enclosed are ATTACHMENTS required by the application.

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If additional information is needed or there are questions, please call me at (505) 748-4182. Thank you for your consideration of this matter.

Sincerely,

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

Morris Keith
Operations Engineer

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December 8, 1997

Richard Manus
Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220

Dear Mr. Manus,

This letter is to notify you that Yates Petroleum Corporation has applied to the New Mexico Oil Conservation Division for administrative approval of downhole commingling in the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Eddy County, New Mexico. A copy of the application, NMOCD Form C-107-A, is enclosed.

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

Sincerely,

Morris Keith
Operations Engineer

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DENNIS G. KINSEY
TREASURER

November 19, 1997

Elk Oil Company
P. O. Box 310
Roswell, NM 88202

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Chaves County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith
Operations Engineer

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TREASURER

November 19, 1997

Sulphur River Exploration, Inc.
5949 Sherry Lane
Suite 755
Dallas, TX 75225

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Chaves County. Please find attached application. This will serve as notification to an offset operator.

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November 19, 1997

Paul Slayton
P. O. Box 2035
Roswell, NM 88202

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Jasper ARJ Federal #1 located in Unit O of Section 25, Township 8 South, Range 26 East, Chaves County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith
Operations Engineer

MK/th

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 87410-1893

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm 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	Well No.	Unit Ltr. - Sec - Twp - Rge	County
Jasper ARJ Federal	1	0-25-8S-26E	Chaves	
Lease				

OGRID NO. 025575Property Code 21096API NO. 30-005-63142

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	Undesignated Abo		Foor Ranch Permo Penn
2. Top and Bottom of Pay Section (Perforations)	5110'-5118'		6293'-6334'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 1815	a.	a. (Current) 2233
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 1815	b.	b. (Original) 2233
6. Oil Gravity (API) or Gas BTU Content			
7. Producing or Shut-In?	Shut-In		Shut-In
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: Work to be Done Rates: 75 MCFGPD 0 BWPD 0 BOPD	Date: Rates:	Date: Flow Test - 12/4/97 Rates: 25 MCFGPD 0 BWPD 0 BOPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 0% Gas: 75%	Oil: % Gas: %	Oil: 0% Gas: 25%

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) (See attachment)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes ___ No (See attachment)

13. Will the value of production be decreased by commingling? ___ Yes X 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. X Yes ___ No

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

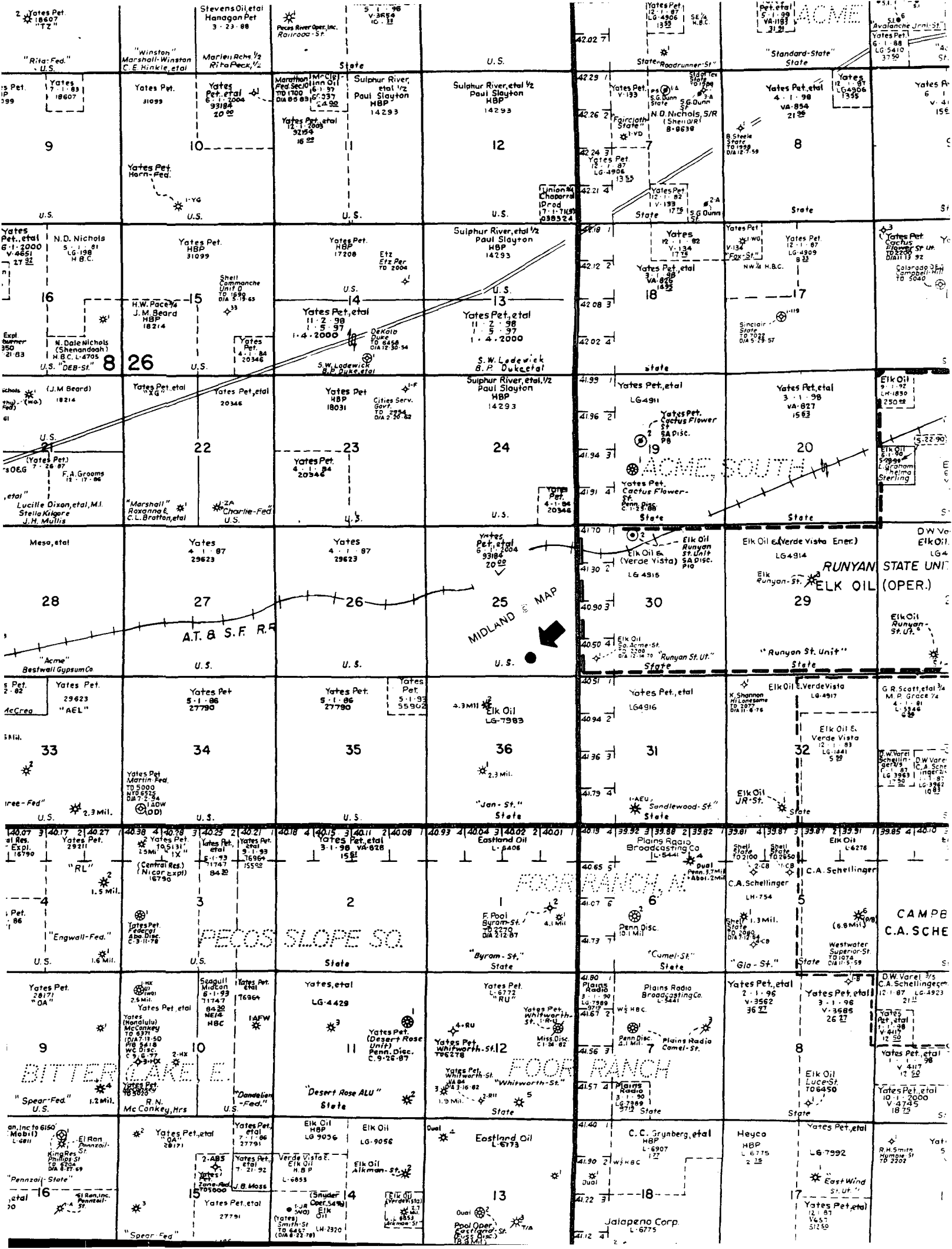
16. ATTACHMENTS:

- * 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 12-8-97

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, Artemia, NM 88211-0719
District III
1000 Rio Bravos 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

1 API Number 30-005-63142		2 Pool Code		3 Pool Name Abo Undesignated	
4 Property Code 21096		5 Property Name Jasper ARJ Federal			6 Well Number 1
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3998'

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
0	25	8S	26E		660	South	1750	East	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.
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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					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> <u>Tina Huerta</u> Signature Tina Huerta Printed Name Operations Technician Title 11-13-97 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 Surveyor: Certificate Number

Production curves for each zone are not available.

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PO Drawer DD, Artesia, NM 88211-0719
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YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
JASPER ARJ FEDERAL #1
EDDY COUNTY, NEW MEXICO

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P. O. Box 1778
Carlsbad, NM 88220

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P. O. Box 2035
Roswell, NM 88202

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