

DHC 1/8/98

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

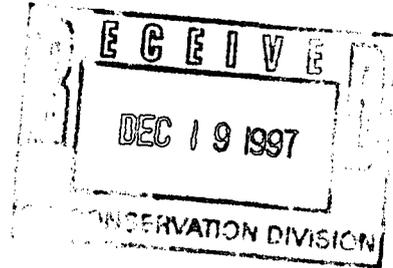


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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

1834

December 16, 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 Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy 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) 748-4174. Thank you for your consideration of this matter.

Sincerely,

Ray Stall
Ray Stall
Operations Engineer

RS/th

Enclosures

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December 16, 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 Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy 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) 748-4174. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Stall'.

Ray Stall
Operations Engineer

RS/th

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TREASURER

December 16, 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 Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 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) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Stall'.

Ray Stall
Operations Engineer

RS/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

Big Freddy Unit

1

G-10-23S-22E

Eddy

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 025575

Property Code 21717

API NO. 30-015-29734

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 Cisco		Undesignated Strawn
2. Top and Bottom of Pay Section (Perforations)	7368'-7384'		8671'-8677' 9125'-9199'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 3117 DST (7332'-7791) (3 hour Final SIBHP) b. (Original) p* = 3942 from DST Analysis	a. b.	a. (Current) 2196 DST (8660'-8700') (3 hour Final SIBHP) b. (Original) p* = indeterminate from DST data Estimated 3915 normal gradient
6. Oil Gravity (API) or Gas BTU Content	No Sample		No Sample
7. Producing or Shut-In?	Shut-In		Shut-In
Production Marginal? (yes or no)	No		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: 11-26-97 Rates: 1377 MCFGPD 0 BWPD 0 BOPD	Date: Rates:	Date: 11-23-97 Date: 11-09-97 Rates: 257 MCFGPD Rate: 93 MCFGPD 0 BWPD 0 BWPD 0 BOPD 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: 80% Gas: 80%	Oil: % Gas: %	Oil: 20% Gas: 20%

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? Yes No (See attachment)

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. NMOC 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 Ray Stall TITLE Operations Engineer DATE 12-17-97

TYPE OR PRINT NAME Ray Stall TELEPHONE NO. (505) 748-1471

<p>M.J. Harvey Jr. 6-1-96 86510 1592 Grt Westh Orig. U.S.</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>21 J.B.E.A.S. Patterson U.S.</p>	<p>22 U.S.</p>	<p>23 Midwest Feo (U.S.) U.S.</p>	<p>24 Hemagon No. Huapache Unit U.S.</p>
<p>W.W. Perry 6-1-96 86510 1192 El Paso Nat. Patterson Atoka Disc. U.S.</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>Mitchell 86886 600 U.S.</p>	<p>Mitchell Ener. 86885 200 U.S.</p>	<p>Mitchell 8103 2600 92144 U.S.</p>	<p>25 Coking Midwest St. 101065 U.S.</p>
<p>M.J. Harvey Jr. 6-1-96 86510 1632 U.S.</p>	<p>YPC 7-1-92 V-7-1932 1563 J.B.E.A.S. Patterson State</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>Mitchell 86887 892 U.S.</p>	<p>Mitchell 86886 600 U.S.</p>	<p>26 U.S.</p>
<p>31 U.S.</p>	<p>YPC 7-1-92 V-7-1932 1563 J.B.E.A.S. Patterson State</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>Mitchell 86887 892 U.S.</p>	<p>Mitchell 86886 600 U.S.</p>	<p>27 U.S.</p>
<p>31 U.S.</p>	<p>YPC 7-1-92 V-7-1932 1563 J.B.E.A.S. Patterson State</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>Mitchell 86887 892 U.S.</p>	<p>Mitchell 86886 600 U.S.</p>	<p>28 U.S.</p>
<p>31 U.S.</p>	<p>YPC 7-1-92 V-7-1932 1563 J.B.E.A.S. Patterson State</p>	<p>Freedom Ener. HBP 0554467 U.S.</p>	<p>Mitchell 86887 892 U.S.</p>	<p>Mitchell 86886 600 U.S.</p>	<p>29 U.S.</p>
<p>Bruce Anderson 89852 U.S.</p>	<p>Lucia Saca 5-1-92 51052 U.S.</p>	<p>Lucia Saca 5-1-92 51052 U.S.</p>	<p>B. SEITZER 11-1-92 84794 300 U.S.</p>	<p>B. SEITZER 11-1-92 84794 300 U.S.</p>	<p>3 U.S.</p>
<p>5 U.S.</p>	<p>4 U.S.</p>	<p>4 U.S.</p>	<p>3 U.S.</p>	<p>2 U.S.</p>	<p>2 U.S.</p>
<p>7 U.S.</p>	<p>8 U.S.</p>	<p>9 U.S.</p>	<p>10 U.S.</p>	<p>11 U.S.</p>	<p>12 U.S.</p>
<p>18 U.S.</p>	<p>17 U.S.</p>	<p>16 U.S.</p>	<p>15 U.S.</p>	<p>14 U.S.</p>	<p>13 U.S.</p>
<p>19 U.S.</p>	<p>20 U.S.</p>	<p>21 U.S.</p>	<p>22 U.S.</p>	<p>23 U.S.</p>	<p>24 U.S.</p>
<p>30 U.S.</p>	<p>29 U.S.</p>	<p>28 U.S.</p>	<p>27 U.S.</p>	<p>26 U.S.</p>	<p>25 U.S.</p>
<p>31 U.S.</p>	<p>32 U.S.</p>	<p>33 U.S.</p>	<p>34 U.S.</p>	<p>35 U.S.</p>	<p>36 U.S.</p>

SITTING RILL

District I
 PO Box 1988, Hobbs, NM 88241-1988
 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 30-015-29734		Pool Code	Pool Name Undesignated Strawn
Property Code 21717	Property Name Big Freddy Unit		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 4479'

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
G	10	23S	22E		1980	North	1980	East	Eddy

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

Production curves for each zone are not available.

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4 Property Code 21717		5 Property Name Big Freddy Unit			6 Well Number 1
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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
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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

12 Dedicated Acres 320	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: <u>Tina Huerta</u> Printed Name: Tina Huerta Title: Operations Technician Date: _____	
				18 SURVEYOR CERTIFICATION	
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				REFER TO ORIGINAL PLAT Date of Survey: _____ Signature and Seal of Professional Surveyor: _____	
				Certificate Number	

Production curves for each zone are not available.

YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
BIG FREDDY UNIT #1
EDDY COUNTY, NEW MEXICO

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

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134

Nearburg Exploration Company
P. O. Box 841585
Dallas, TX 75284-1585

Southwest Royalties, Inc.
P. O. Drawer 11390
Midland, TX 79702

Chi Energy, Inc.
P. O. Box 1799
Midland, TX 79702

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1912 - 1985
FRANK W. YATES
1936 - 1986



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TREASURER

December 16, 1997

Nearburg Exploration Company
P. O. Box 841585
Dallas, TX 75284-1585

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Big Freddy Unit #1 located in Unit G of Section 10, Township 23 South, Range 22 East, Eddy County. Please find attached application. This will serve as notification to any offset operators and interest owners.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Stall'.

Ray Stall
Operations Engineer

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Midland, TX 79702

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14000 Quail Spring Parkway
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