

Yates Petroleum Corporation

105 South Forth Street, Artesia, NM 88210

Operator

Address

Ohkay BHH State #1

Unit D - Section 6 - 25S-30E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 025575

Property Code 043533

API No. 30-015- 34551

Lease Type:

Federal ☒ State ☐

Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	UNDES. NASH DRAW RELAYED / BONE SPRING Corral Canyon, Delaware		✓
Pool Name			Wildcat; Bone Springs
Pool Code	475 45 ✓		96053 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,366-6,958'		8,092-9,110'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
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.)	Date: New Zone Rates:		Date: New Zone Rates:
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 Allocation % will be submitted when completed		Oil Gas Allocation % will be submitted when completed

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
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

Margrethe Hotter

TITLE Operations Engineer

DATE 4/18/06

TYPE OR PRINT NAME

Margrethe Hotter

TELEPHONE NO. (505) 748-4165

E-MAIL ADDRESS

mhotter@ypcnm.com

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



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

S. P. YATES
CHAIRMAN OF THE BOARD
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TREASURER

April 18, 2006

David Catanach
State of New Mexico
OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505


Re: Ohkay BHH State #1

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Corral Canyon; Delaware and the Wildcat; Bone Spring pools in our Ohkay BHH State #1 located in Unit D, of Section 6, Township 25 South, Range 30 East, in Hddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,


Margrethe Hotter
Operations Engineer

MH/dc

Enclosures

2006 APR 20 PM 1:28

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34551	² Pool Code 96403	³ Pool Name Wildcat; Bone Spring
⁴ Property Code 35383	⁵ Property Name Ohkay BHH State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,139'

¹⁰ Surface Location

UL or lot no. D	Section 6	Township 25S	Range 30E	Lot Idn	Feet from the 330'	North/South line FNL	Feet from the 330'	East/West line FWL	County 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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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> Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address 4/18/06 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> Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34551	² Pool Code 13360	³ Pool Name Corral Canyon; Delaware
⁴ Property Code 35383	⁵ Property Name Ohkay BHH State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,139'

¹⁰ Surface Location									
UL or lot no. D	Section 6	Township 25S	Range 30E	Lot Idn	Feet from the 330'	North/South line FNL	Feet from the 330'	East/West line FWL	County Eddy

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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			
	Debbie Chavez Printed Name Engineering Technician Title and E-mail Address 4/18/06 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>			
	Date of Survey			
	Signature and Seal of Professional Surveyor:			
	Certificate Number			

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation

The Bone Springs is a new zone and production curves are not available.

The Delaware is a new zone and production curves are not available.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, April 24, 2006 4:53 PM
To: 'Margrethe Hotter'
Cc: Arrant, Bryan, EMNRD
Subject: RE: DHC Application Ohkay BHH State #1 30-015-34551

Tracking: **Recipient** **Read**
'Margrethe Hotter'
Arrant, Bryan, EMNRD Read: 4/25/2006 7:12 AM

Ms. Hotter:
I will prepare your permit as you requested.

It looks like this will be the Wildcat-Bone Spring Pool (2nd Bone Spring) commingled with the Undesignated Nash Draw-Delaware/Bone Spring Pool.

Be sure and write this information about the interval in the Bone Spring on the C-104 form that you send to Bryan in Artesia,

Regards,

and
Auf Wiederheren,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

From: Margrethe Hotter [mailto:mhotter@YPCNM.COM]
Sent: Monday, April 24, 2006 1:43 PM
To: Jones, William V., EMNRD
Subject: RE: DHC Application Ohkay BHH State #1 30-015-34551

Hallo Mr. Jones,

We are planning on perforating the Avalon Sand, but the lowest perms in this well is in the 2nd Bone Springs.

Thank you,

Regards,

Margrethe Hotter

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, April 24, 2006 12:40 PM
To: Margrethe Hotter
Subject: FW: DHC Application Ohkay BHH State #1 30-015-34551

Hello Ms. Hotter:

4/25/2006