

DHC 3/14/00

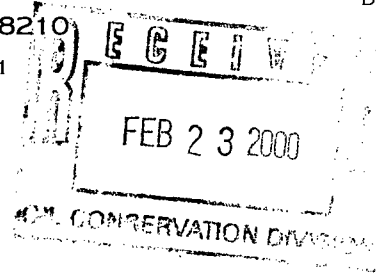
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

John A. Yates

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



February 22, 2000

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 and multiple completion of the Box Canyon 34 ATN Federal #1 located in Unit I of Section 34, Township 20 South, Range 21 East, Eddy County.

Should you have any questions, feel free to contact me at (505) 748-4174. Thank you.

Sincerely,

Albert R. Stall

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

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



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TREASURER

February 22, 2000

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

Dear Mr. Gum,

Enclosed are the necessary documents for obtaining approval for the downhole commingling and multiple completion of the Box Canyon 34 ATN Federal #1 located in Unit I of Section 34, Township 20 South, Range 21 East, Eddy County.

Should you have any questions, feel free to contact me at (505) 748-4174. Thank you.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE
☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 S. 4th Street, Artesia, NM 88210

Operator

Address

Box Canyon 34 ATN Federal

1

I 34-20S-21E

Eddy

Lease

Well No.

Unit Ltr.-Sec-Twp-Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO.

025575

Property Code

25204

API NO.

30-015-30779

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 | Strawn | | Atoka |
| 2. Top and Bottom of Pay Section (Perforations) | 7456'-7540' | | 7710'-7719' |
| 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) SI (2785 psi - est.) b. (Original) 2785 psi (est.) | a. (Current) b. (Original) | a. (Current) SI (2867 psi) b. (Original) 2867 psi (measured) |
| 6. Oil Gravity (EAPI) or Gas BTU Content | Not tested 1100 BTU (est.) | | Not tested 1100 BTU (est.) |
| 7. Producing or Shut-In? | SI | | SI |
| Production Marginal? (yes or no) | Yes | | No |
| * 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: 1/24/00 Rates: 180 mcf/d, 0 bopd, 0 bwpd | Date: Rates: | Date: 1/11/00 Rates: 1708 mcf/d, 0 bopd, 0 bwpd |
| * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: SI Rates: | Date: Rates: | Date: SI Rates: |
| 8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%) | Oil: 9.5% Gas: 9.5% | Oil: % Gas: % | Oil: 90.5% Gas: 90.5% |

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. See Attachment

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

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 of Land Management has been notified in writing of the 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 working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, date, 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

Albert R. Stall

TITLE

Operations Engineer

DATE

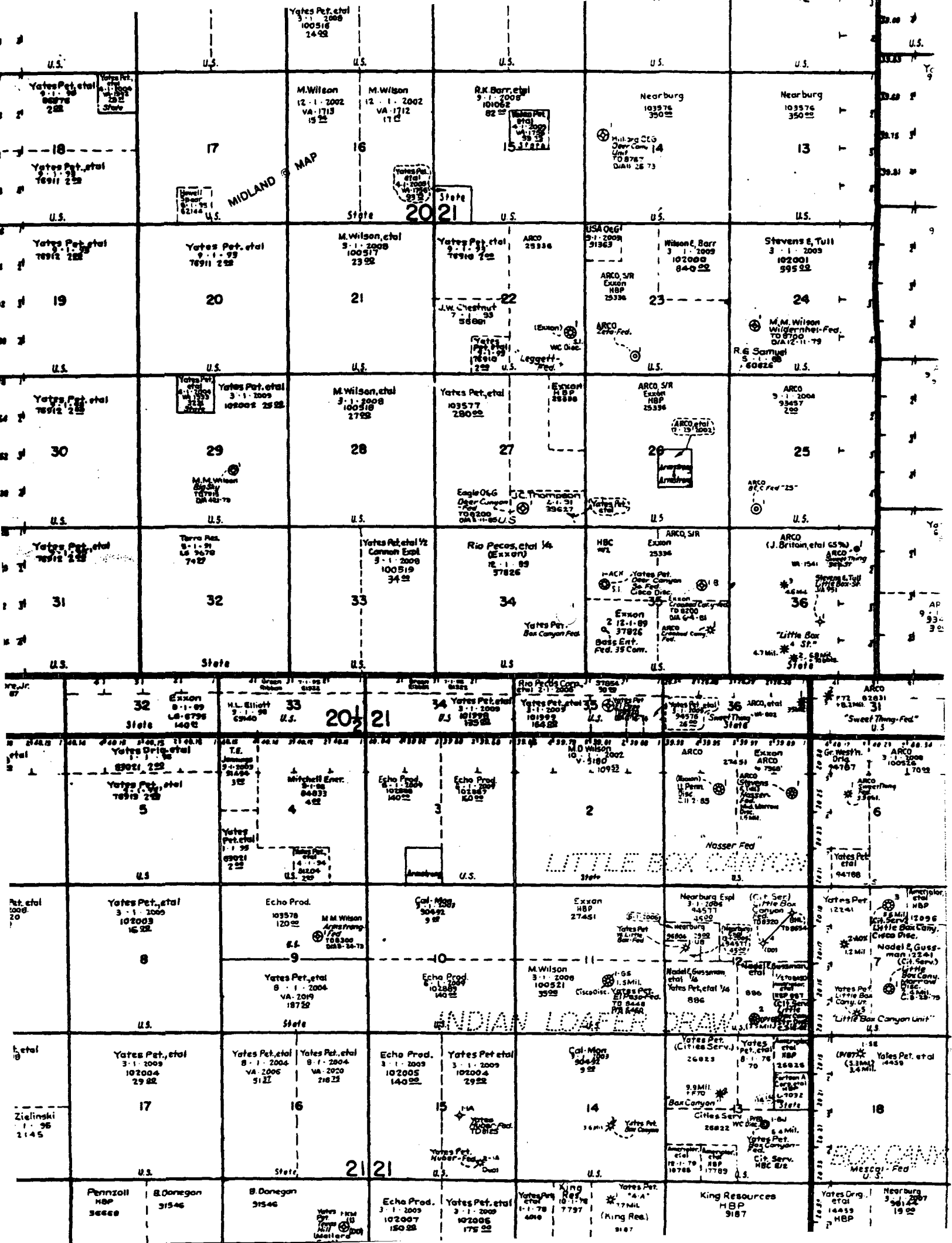
2/22/00

TYPE OR PRINT NAME

Albert R. Stall

TELEPHONE NO.

(505) 748-4174



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-10:
Revised February 10, 199-
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 30-015-30779 | | 2 Pool Code | | 3 Pool Name Strawn | |
| 4 Property Code 25204 | | 5 Property Name Box Canyon 34 ATN Federal | | | 6 Well Number 1 |
| 7 OGRID No. 025575 | | 8 Operator Name Yates Petroleum Corporation | | | 9 Elevation 4528' |

10 Surface Location

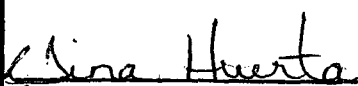
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | 34 | 20S | 21E | | 2260 | South | 660 | East | Eddy |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | 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. |
|---------------------------|--------------------|-----------------------|--------------|

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

Production curve for Strawn zone is not available. Strawn has been shut-in since original completion test.

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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
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State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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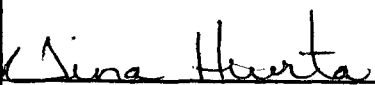
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
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|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

| | | | |
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| | | | | 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. | | |
| | | | | REFER TO ORIGINAL PLAT | | |
| | | | | Date of Survey | | |
| | | | | Signature and Seal of Professional Surveyor: | | |
| | | | | Certificate Number | | |

Production curve for Atoka zone is not available. Atoka has been shut-in since original completion test.

There are no Offset Operators other than Yates Petroleum Corporation.