

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



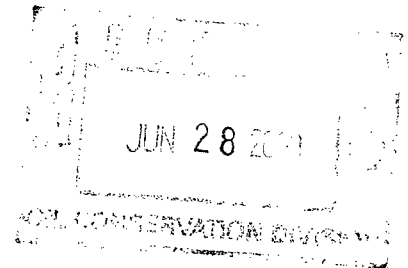
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

DHC 7/18/00

2782

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

June 23, 2000



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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Atoka, Turkey Track Morrow, North and Loco Hills Chester pools in our Cabeza AUD Federal Com #1 located in Unit D of Section 10, Township 18 South, Range 29 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

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



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TELEPHONE (505) 748-1471

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TREASURER

June 23, 2000

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

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from Undesignated Atoka, Turkey Track Morrow, North and Loco Hills Chester pools in our Cabeza AUD Federal Com #1 located in Unit D of Section 10, Township 18 South, Range 29 East, Eddy County.

If you have any questions or need additional information, please call me at (505) 748-4174. Thank you for your consideration of this request.

Sincerely,

Albert R. Stall
Operations Engineer

ARS/th

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

Yates Petroleum Corporation 105 South Fourth Street
Operator Address

Cabeza AUD Federal Com 1 D 10 18S 29E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code API No. Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Turkey Track</i> Undesignated Atoka	<i>South Empire-Morrow</i> Turkey Track Morrow, North	Loco Hills Chester
Pool Code	<i>86845</i>	<i>86500 76400</i>	96845
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,547'-10,553'	10,905'-10,956'	11,344'-11,350'
Method of Production (Flowing or Artificial Lift)	Flowing	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)	Not Required	Not Required	Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1150 BTU (estimated)	1150 BTU	1200 BTU
Producing, Shut-In or New Zone	Not Completed Yet	Shut-In	Shut-In
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: Not Completed Yet (See Attachment #1)	Date: 6/22/00 Rates: F 240 psi x 3/4" choke = 1583 mcf/d + 0 bopd	Date: 6/17/00 Rates: F 140 psi x 3/4" choke = 2216 mcf/d + 10 bopd
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 % % See Attachment #2	Oil Gas % % See Attachment #2	Oil Gas % % See Attachment #2

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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: DHC - 2208 (See Attachment #3)

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.

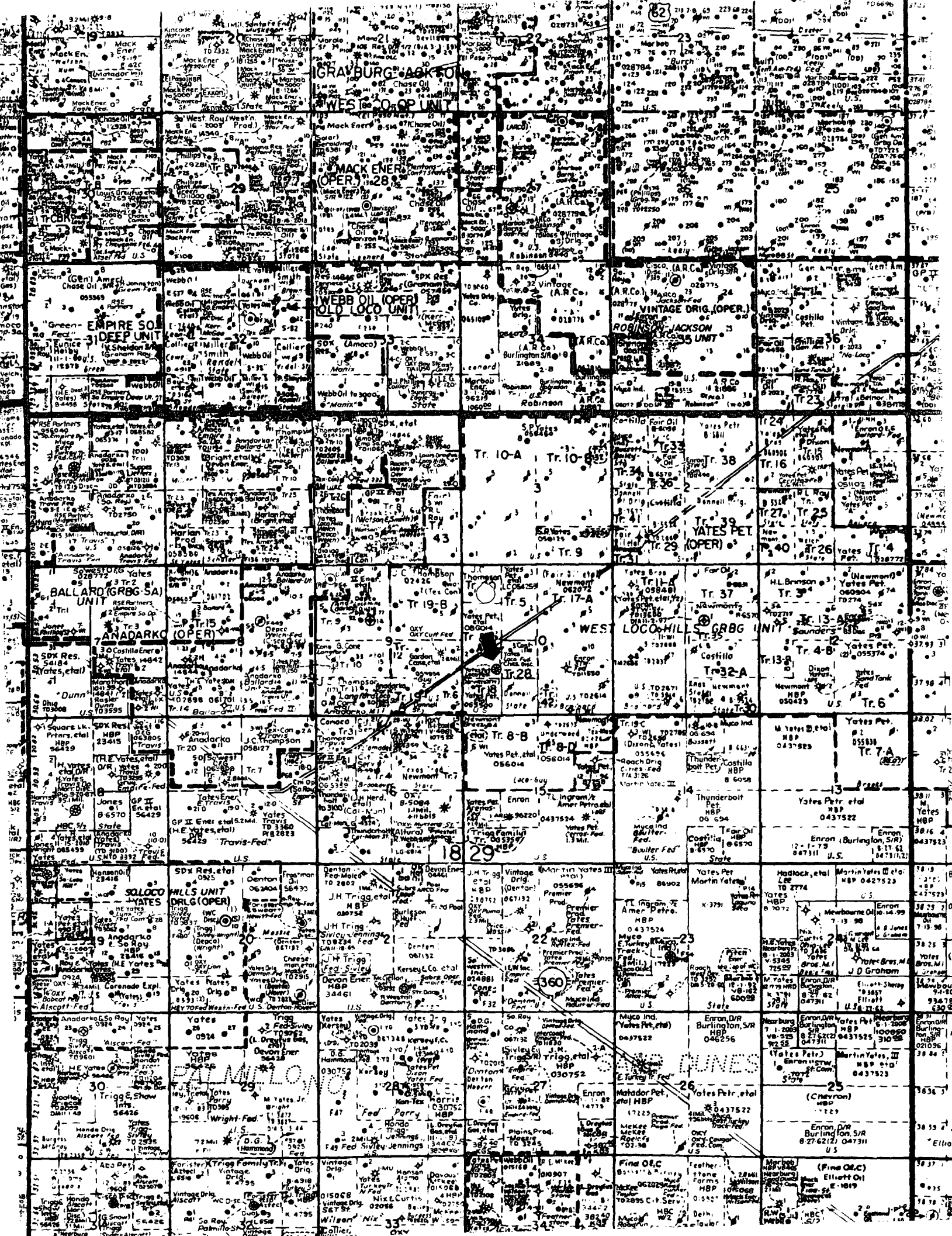
SIGNATURE *Albert R. Stall* TITLE Operations Engineer DATE 6/23/00

TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174

ATTACHMENTS

Cabeza AUD Federal Com #1 Unit D Sec. 10-18S-29E

1. The Atoka interval is expected to produce approximately 1000 mcf of dry gas based on well log evaluation. Copies of the logs in this interval is attached. After testing, production rates will be submitted for the zone.
2. A fixed percentage allocation formula based on actual production rates will be submitted for approval after testing the Undesignated Atoka interval.
3. Downhole commingling of production from the Loco Hills Chester and Turkey Track Morrow, North intervals in Yates Petroleum Corporation's Loco ASI Federal Com #1 well in Unit L, Sec. 10, T18S, R29E, Eddy County, New Mexico, was approved by NMOCD Administrative Order DHC-2208 (see attached map). An application to add Undesignated Atoka to that downhole commingle was also submitted on June 16, 2000.



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		Pool Code		Pool Name Undesignated Atoka	
Property Code		Property Name Cabeza AUD Federal Com			Well Number 1
OGRID No. 025575		Operator Name Yates Petroleum Corporation			Elevation 3515'

¹⁰ Surface Location

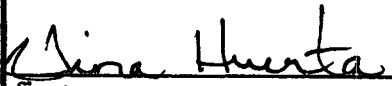
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	18S	29E		1060	North	660	West	Eddy

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 <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 Surveyor: Certificate Number

The Undesignated Atoka pool has not been completed, there will be no production curve for this zone.

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 86500	Pool Name Turkey Track Morrow, North
Property Code	Property Name Cabeza AUD Federal Com		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3515'

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
D	10	18S	29E		1060	North	660	West	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.
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16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Tina Huerta</i> 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 Surveyor: Certificate Number

The Turkey Track Morrow, North pool is Shut-In. It was recently completed and there will be no production curve for this zone.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-9719
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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Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96845	Pool Name Loco Hills Chester
Property Code	Property Name Cabeza AUD Federal Com	Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 3515'

¹⁰ Surface Location

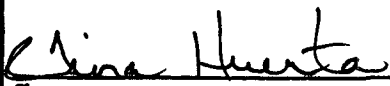
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	18S	29E		1060	North	660	West	Eddy

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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					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

The Loco Hills Chester pool is Shut-In. It was recently completed and there will be no production curve for this zone.

YATES PETROLEUM CORPORATION
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
OWNERS OF INTEREST
CABEZA AUD FEDERAL COM #1
EDDY COUNTY, NEW MEXICO

Richard Kevin Barr
5716 Hillcrest Pl.
Midland, TX 79707-5011

John E. and Betty Watson Bloom
8887 S. Lewis Ave
Apt. #408
Tulsa, OK 74137-3221

Roger C. Boesche
1881 Campus Road
Los Angeles, CA 90041

Amanda Reynolds Boesche
1881 Campus Road
Los Angeles, CA 90041

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Conoco, Inc.
P. O. Box 201940
Houston, TX 77216-1940

Ben A. Copass, Jr.
P. O. Box 606
Cisco, TX 76437

Costilla Energy, Inc.
Lock Box 841041
Dallas, TX 75284-1041

Sue C. Doak
7101 Chase Oaks Blvd.
Apt. #312
Plano, TX 75025-5909

Barbara Kruse Frankenfield
12 Laura Elizabeth Ct.
Mansfield, TX 76063

Manix Royalty, Ltd.
P. O. Box 2818
Midland, TX 79702

Jay E. Floyd
P. O. Box 2577
Midland, TX 79702

Mary Jo Guy
101 West Main Street
Artesia, NM 88210

Clyde Lamar Guy Estate
101 West Main Street
Artesia, NM 88210

I & L Development Co.
3500 Oak Lawn
Suite 720
Dallas, TX 75219

Sally Copass-Jackson
6555 Blanche
Dallas, TX 75214

Sam Lett Testamentary Trust
3500 Oak Lawn
Suite 720
Dallas, TX 75219

Thomas W. Lett
3500 Oak Lawn
Suite 720
Dallas, TX 75219

The Lowrey Revocable Trust
7501 E. Thompson Peak Pkwy #26
Scottsdale, AZ 85255

Steven Goodrich Lowrey
717 S. Shawnee
Bartlesville, OK 74003

William McNeil Lowrey
10845 Spruce Drive South
La Porte, TX 77571

Louellen B. McMillian
P. O. Box 452094
Garland, TX 75045-2094

Joel R. Miller
P. O. Box 3003
Midland, TX 79702

Minerals Management Service
P. O. Drawer 1857
Roswell, NM 88201

Gretchen Nearburg
1608 Lakeway Blvd.
Austin, TX 78734

Pitch Energy Corporation
P. O. Box 304
Artesia, NM 88211-0304

Ralston Living Trust
10344 W. US 54
Pratt, KS 67124

Betsy Boesche Rhines
69 Bald Hill Road
Wilton, CT 06897

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

Sandra Leigh Terry
P. O. Box 12617
El Paso, TX 79913

Susan Lynn Terry
6112 N. Mest St.
PMB 216
El Paso, TX 79912

Cleo J. and James Thompson
325 North St. Paul
Suite 4300
Dallas, TX 75201-3093

Scott E. Wilson
4512 Bent Tree Trail
Midland, TX 79707-1449

Cynthia C. Woolley
9215 Meadowglen Drive
Dallas, TX 75238

Howard B. Wright
Trust Natural Resources
P. O. Box 5825

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



105 SOUTH FOURTH STREET
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TELEPHONE (505) 748-1471

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DENNIS G. KINSEY
TREASURER

June 23, 2000

To: Working Interest Owner
Royalty Interest Owner
Overriding Royalty Interest Owner

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Cabeza AUD Federal Com #1 located in Unit D of Section 10, Township 18 South, Range 29 East, Eddy County. Please find a copy of the application enclosed. This will serve as notification to owners with an interest in the well.

Should you have any questions, or need additional information, please call me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Albert R. Stall'.

Albert R. Stall
Operations Engineer

ARS/th