

0024351935

DHC

9/18/00

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

August 23, 2000

AUG 28 2000

2805

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 the Burton Flat Strawn, Undesignated Atoka and Burton Flat Morrow pools in our South Avalon AUA Com #1 located in Unit D of Section 23, Township 21 South, Range 26 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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DENNIS G. KINSEY  
TREASURER

August 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 the Burton Flat Strawn, Undesignated Atoka and Burton Flat Morrow pools in our South Avalon AUA Com #1 located in Unit D of Section 23, Township 21 South, Range 26 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,

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

Albert R. Stall  
Operations Engineer

ARS/th

Enclosures

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

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

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street  
Operator Address

South Avalon AUA Com 1 D 23 21S 26E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 25429 API No. 30-015-31001 Lease Type:        Federal        State        Fee

| DATA ELEMENT                                                                                                                                                                          | UPPER ZONE                                                                     | INTERMEDIATE ZONE                                                              | LOWER ZONE                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Pool Name                                                                                                                                                                             | <del>Burton Flat Strawn</del>                                                  | <del>Craig But Atoka</del><br>Undesignated Atoka                               | <del>Burton Flat Morrow</del>                                                 |
| Pool Code                                                                                                                                                                             | <del>Und Avalon Strawn</del>                                                   |                                                                                | <del>Und Avalon Morrow</del>                                                  |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)                                                                                                                   | 9,968'-9,972'                                                                  | 10,242'-10,250'<br>10,327'-10,337'                                             | 10,801'-10,893'<br>11,011'-11,089'                                            |
| Method of Production<br>(Flowing or Artificial Lift)                                                                                                                                  | Flowing                                                                        | Flowing                                                                        | Flowing                                                                       |
| Bottomhole Pressure<br>(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<br>(Degree API or Gas BTU)                                                                                                                                     | 1224 BTU                                                                       | 1224 BTU                                                                       | 1050 BTU                                                                      |
| Producing, Shut-In or New Zone                                                                                                                                                        | New Zone                                                                       | New Zone                                                                       | New Zone                                                                      |
| Date and Oil/Gas/Water Rates of Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | (Estimated)<br>Date: Not Completed Yet<br>Rates: 25 bopd<br>1000 mcf<br>0 bwpd | (Estimated)<br>Date: Not Completed Yet<br>Rates: 25 bopd<br>1000 mcf<br>0 bwpd | (Estimated)<br>Date: Not Completed Yet<br>Rates: 0 bopd<br>2000 mcf<br>0 bwpd |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil Gas<br><br>% %<br>Will submit after completion                             | Oil Gas<br><br>% %<br>Will submit after completion                             | Oil Gas<br><br>% %<br>Will submit after completion                            |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes   X   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   X   No       

Will commingling decrease the value of production? Yes        No   X  

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   X   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

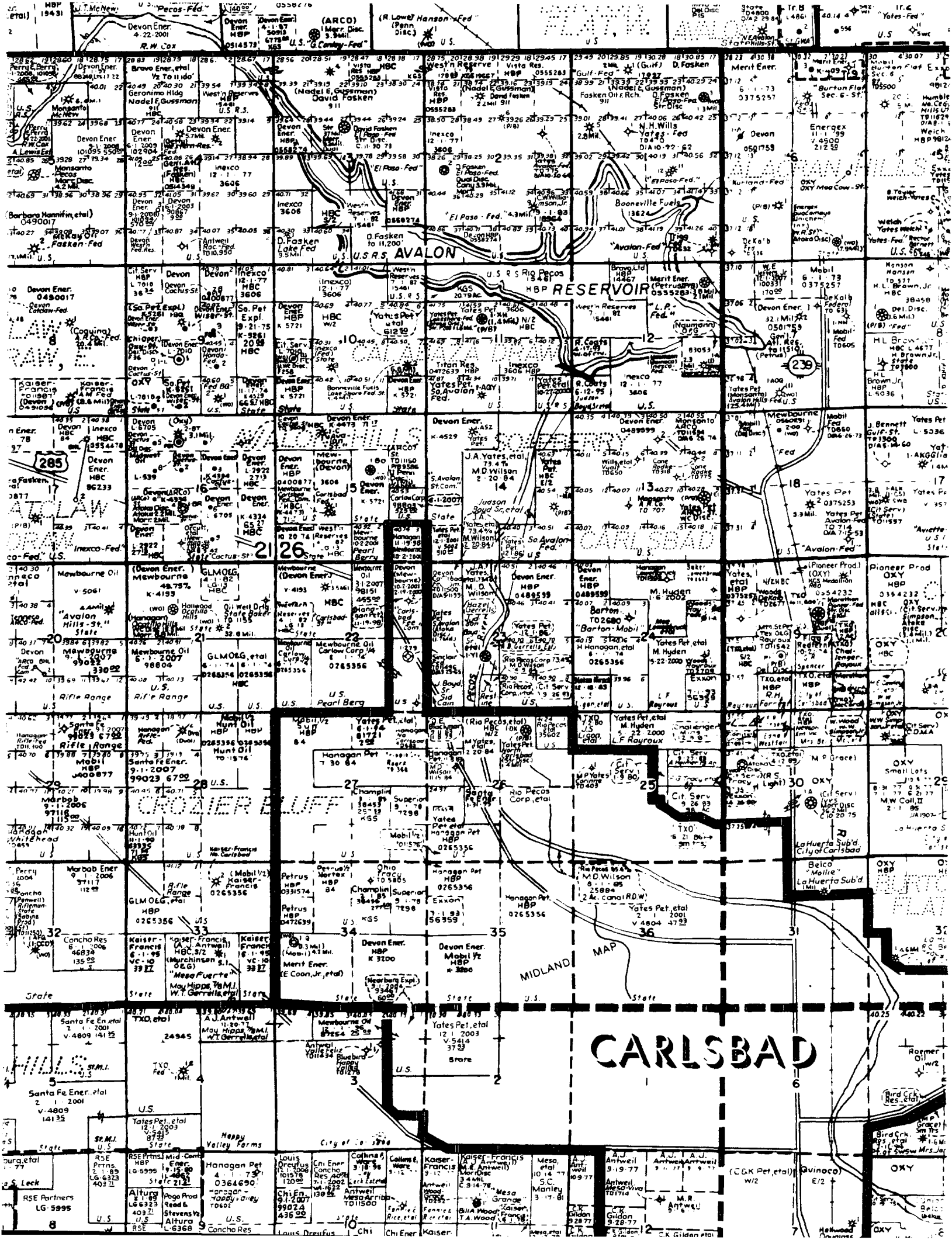
If application is to establish Pre-Approved Pools, the following additional information will be required:

- 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 Albert R. Stall TITLE Operations Engineer DATE           

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-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 AFI Number<br>30-015-31001 |  | 2 Pool Code                                    |  | 3 Pool Name<br>Burton Flat Strawn |                      |
| 4 Property Code<br>25429     |  | 5 Property Name<br>South Avalon AUA Com        |  |                                   | 6 Well Number<br>1   |
| 7 OGRID No.<br>025575        |  | 8 Operator Name<br>Yates Petroleum Corporation |  |                                   | 9 Elevation<br>3145' |

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             | 23      | 21S      | 26E   |         | 660           | 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<br>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<br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i><br><br>Signature<br>Tina Huerta<br>Printed Name<br>Operations Technician<br>Title<br><br>Date                                                                                                                        |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |
|    |  |  |  | 18 SURVEYOR CERTIFICATION<br><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><br><br>REFER TO ORIGINAL PLAT<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br><br>Certificate Number |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                             |

The Burton Flat Strawn pool is a new zone, there will be no production curve for this zone.

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|                              |  |                                                |  |                                   |                      |
|------------------------------|--|------------------------------------------------|--|-----------------------------------|----------------------|
| 1 API Number<br>30-015-31001 |  | 2 Pool Code                                    |  | 3 Pool Name<br>Undesignated Atoka |                      |
| 4 Property Code<br>25429     |  | 5 Property Name<br>South Avalon AUA Com        |  |                                   | 6 Well Number<br>1   |
| 7 OGRID No.<br>025575        |  | 8 Operator Name<br>Yates Petroleum Corporation |  |                                   | 9 Elevation<br>3145' |

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|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |
|----|--|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 |  |  |  | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief<br><br>Signature<br>Tina Huerta<br>Printed Name<br>Operations Technician<br>Title<br>Date                                                                                                                        |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |
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|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                  |

The Undesignated Atoka pool is a new zone, there will be no production curve for this zone.

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|                                         |                                                           |                                              |
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| <sup>1</sup> API Number<br>30-015-31001 | <sup>2</sup> Pool Code                                    | <sup>3</sup> Pool Name<br>Burton Flat Morrow |
| <sup>4</sup> Property Code<br>25429     | <sup>5</sup> Property Name<br>South Avalon AUA Com        | <sup>6</sup> Well Number<br>1                |
| <sup>7</sup> OGRID No.<br>025575        | <sup>8</sup> Operator Name<br>Yates Petroleum Corporation | <sup>9</sup> Elevation<br>3145'              |

<sup>10</sup> Surface Location

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<sup>11</sup> 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 |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
|                                      |                               |                                  |                         |         |               |                  |               |                |        |
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
|---------------|--|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <sup>16</sup> |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    | <sup>17</sup> OPERATOR CERTIFICATION<br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i><br><br>Signature<br>Tina Huerta<br>Printed Name<br>Operations Technician<br>Title<br>Date |
|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
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|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |
|               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                             |

The Burton Flat Morrow is a new zone, there will be no production curve for this zone.

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1912 - 1985  
FRANK W. YATES  
1936 - 1986



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DENNIS G. KINSEY  
TREASURER

August 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 South Avalon AUA Com #1 located in Unit D of Section 23, Township 21 South, Range 26 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,

Albert R. Stall  
Operations Engineer

ARS/th

**YATES PETROLEUM CORPORATION**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**OWNERS OF INTEREST**  
**SOUTH AVALON AUA COM #1**  
**EDDY COUNTY, NEW MEXICO**

Nedra C. Cain  
807 West Poe  
Roswell, NM 88201

Carlsbad Nat'l Band Tr. Dept. Tr. -  
Oliver B. Richmond, Judson J.R. &  
Stanley R. Boyd & Michael K.  
P.O. Box 1359  
Carlsbad, NM 88220

Oxy USA, Inc.  
P.O. Box 841784  
Dallas, TX 75284-1784

Marion G. Corman  
1011 N. Guadalupe  
Carlsbad, NM 88220

Devon Energy Production Co.  
P.O. Box 843559  
Dallas, TX 75284-3559

Hugh E. Hanagan  
P. O. Box 1737  
Roswell, NM 88202-1737

Hanagan Properties  
P.O. Box 1887  
Santa Fe, NM 87504-1887

Madison M. Hinkle  
P.O. Box 2292  
Roswell, NM 88202-2292

Rolla R. Hinkle, II  
303 Coal  
Ruidoso, NM 88345

Rolla R. Hinkle, III  
P.O. Box 2292  
Roswell, NM 88202-2292

Jerry L. & Margaret A. Hooper  
P.O. Box 509  
Socorro, NM 87801-0509

Alberta Link  
3055 S. Race Street  
Denver, CO 80210

Rhonda L. May, Indep. Exec. &  
Trustee of Estate of Leonard T.  
May  
P.O. Box 15378  
San Antonio, TX 78212

George B. Markle, IV Trust  
Trust Dept. of the Carlsbad Nat'l.  
Bank  
C/O Carl J. Manganaro  
P.O. Box 1359  
Carlsbad, NM 88220

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

J. Hiram Moore, Ltd.  
P.O. Box 910196  
Dallas, TX 75391-0196

New Tex Oil Company  
P.O. Box 2390  
Hobbs, NM 88241-2390

Bobbie Britt Restine  
2601 Utah  
Carlsbad, NM 88220

Virginia Thornton  
First State Bank of the Keys  
3406 N. Roosevelt Blvd  
Boulevard Office  
Key West, FL 33040

Morris E. Schertz  
P.O. Box 2588  
Roswell, NM 88202-2588

Lois Thornton  
First State Bank of the Keys  
3406 N. Roosevelt Blvd  
Boulevard Office  
Key West, FL 33040

Judy H. Yates  
150 Ravenglass Way  
Colorado Spring, CO 80906

Pure Resources. L.P.  
Formally Titan Resources I Inc.  
P.O. Box 910552  
Dallas, TX 75391-0552

Mark Wilson  
4501 Green Tree Blvd.  
Midland, TX 79707