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DHC

1/11/01

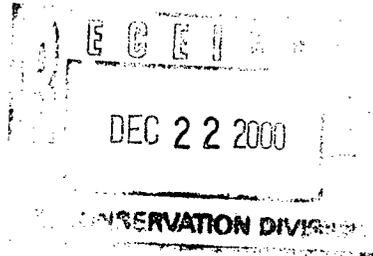
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

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

December 19, 2000



2868

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 production from the Burton Flat Strawn and the Burton Flat Morrow pools in the South Avalon ASZ State Com #2 well, located in Unit L of Section 14, Township 21 South, Range 26 East, Eddy County, New Mexico.

Enclosed is the necessary NMOCD Form C-107A with attachments.

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

Sincerely,

Albert R. Stall
Operations Engineer

ARS/sd

Enclosures

xc: NMOCD - Artesia
State Land Office

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 TYPE

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210
Operator Address

South Avalon ASZ State Com 2 L-14-21S-26E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 24269 API No. 30-015-30899 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Und. Well</i> Burton Flat Strawn		<i>Und.</i> Burton Flat Morrow
Pool Code	73360		73280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9787'-9781' & 9976'-9994'		10898'-10902' & 11066'-11080'
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)	1076 BTU		1050 BTU
Producing, Shut-In or New Zone	Producing (dualled)		Producing (dualled)
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: 12-2-00 Rates: 14 bopd, 379 mcfd, 0 bwpd		Date: 9-9-00 Rates: 2 bopd, 1575 mcfd, 0 bwpd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 87.50 % Gas 19.40 %		Oil 12.50 % Gas 80.60 %

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: _____

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 12/19/00

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

DISTRICT II
 P.O. Drawer 12, Artesia, NM 88210

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT III
 1000 Elc. Brasos Rd., Artesia, NM 87410

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30899	Pool Code 73280	Pool Name Burton Flat Morrow
Property Code 24269	Property Name SOUTH AVALON "ASZ" STATE COM.	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3162

Surface Location

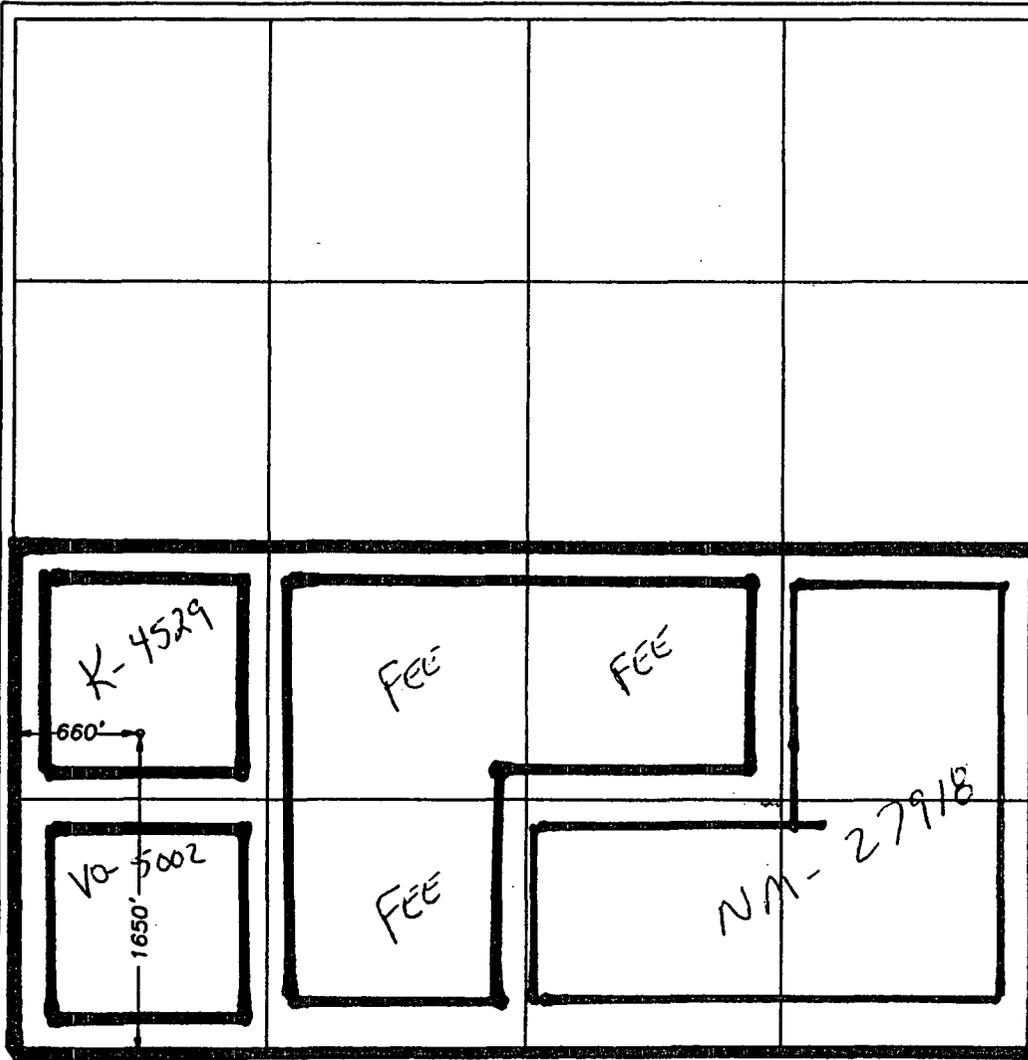
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	14	21S	26E		1650	SOUTH	660	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Ken Beardemphl*

Printed Name: Ken Beardemphl

Title: Landman

Date: October 12, 1999

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.

Date Surveyed: 08/11/1999

Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No. Herschel L. Jones RLS 3640

NEW MEXICO PROFESSIONAL SURVEYORS COMPANY

DISK 14

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 87418
 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-101
 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

API Number 30-015-30899		Pool Code 73360	Pool Name Burton Flat Strawn	
Property Code 24269	Property Name South Avalon ASZ State Com			Well Number 2
OGRID No. 025575	Operator Name Yates Petroleum Corporation			Elevation 3162

10 Surface Location

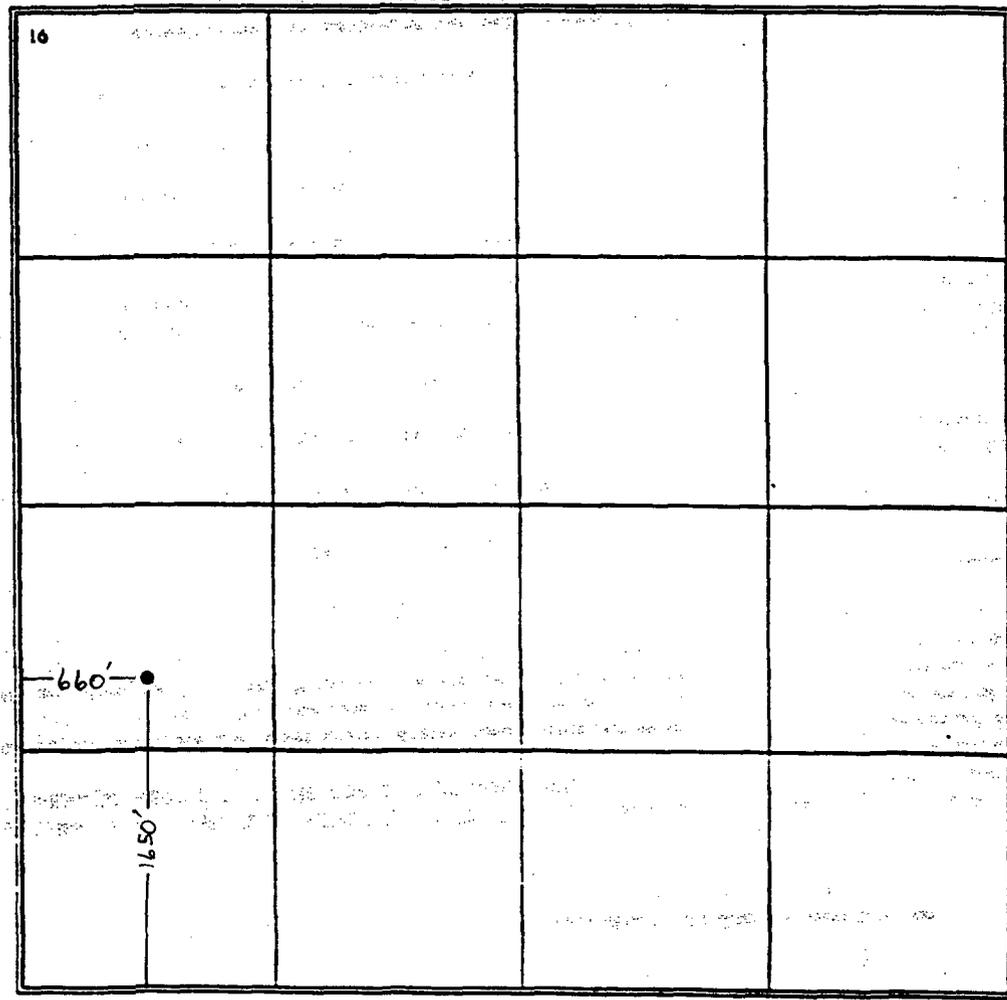
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	14	21S	26E		1650	South	660	West	Eddy

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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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



17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Stormi Davis
 Signature
 Stormi Davis
 Printed Name
 Operations Technician
 Title
 December 19, 2000
 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

A production curve with less than a year of production is enclosed for the Morrow zone.

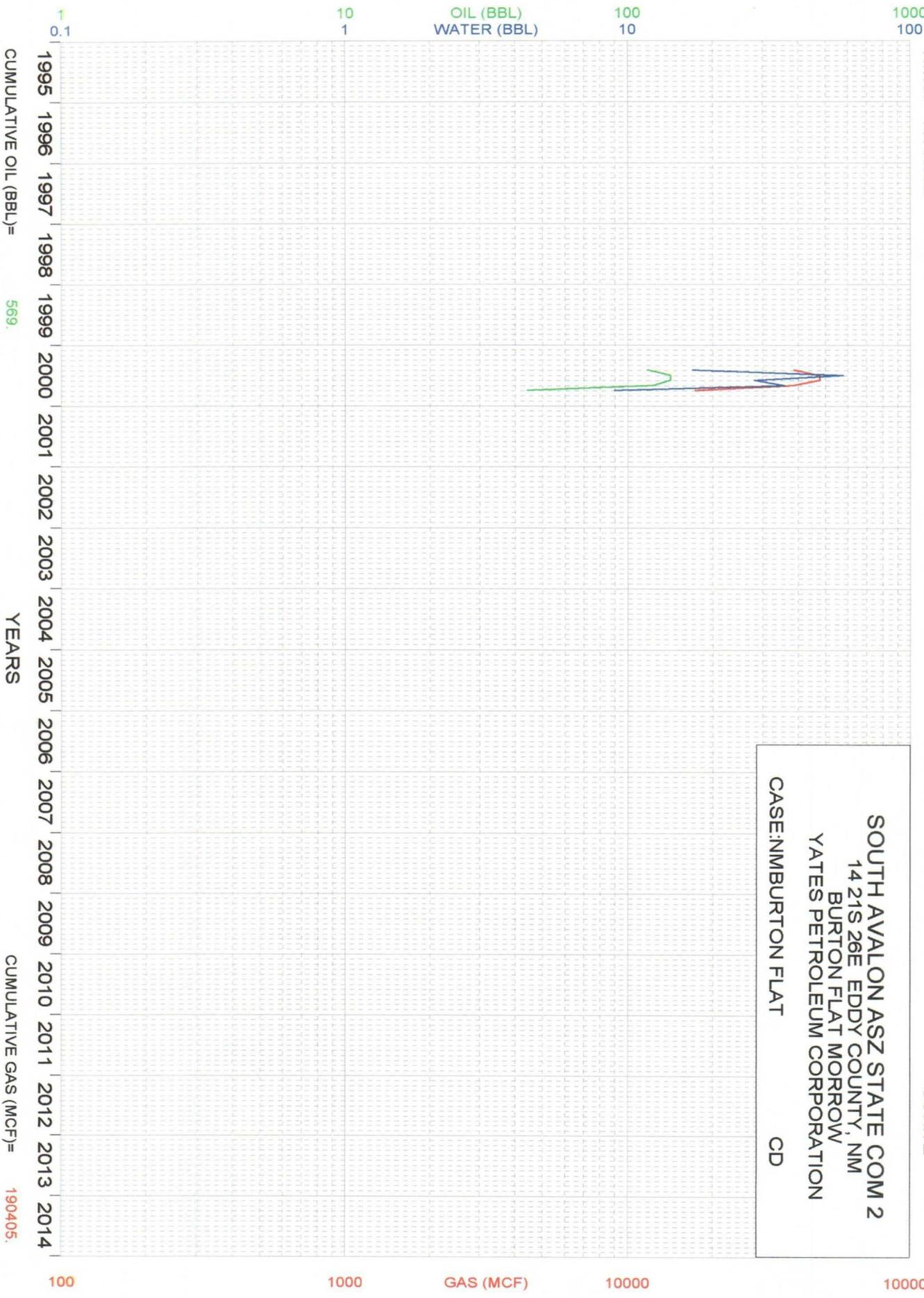
There is no production for the Strawn zone, and there will be no production curve.

Date: 12/18/00
Time: 13:48:32

PRODUCTION HISTORY

File: SAVLON2
Get #: 2

SOUTH AVALON ASZ STATE COM 2
14 21S 26E EDDY COUNTY, NM
BURTON FLAT MORROW/
YATES PETROLEUM CORPORATION
CASE: NMBURTON FLAT CD



CUMULATIVE OIL (BBL)=

569

YEARS

CUMULATIVE GAS (MCF)=

190405