

DATE: 9/13/02	SUSPENSE: NA	ENGINEER: WJ	LOGGED IN: MW	TYPE: DHC	APP NO.: 225653164
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

02 SEP 13 PM 2:30
 OIL CONSERVATION DIV.

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James W. Pringle	<i>James W. Pringle</i>	Operations Engineer	9-9-02
Print or Type Name	Signature	Title	Date
_____ e-mail Address			

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 South Fourth Street

Artesia, New Mexico 88210

Operator

Address

Gryberg LZ State

1

I

Section 36 T5S, R24E

Chaves-----

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 025575 Property Code _____ API No. 30-005-60602 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope (Abo) ↙	Wildcat (Wolfcamp)	Wildcat Penn (Strawn)
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3706-3946'	4520-4774'	4878-5002'
Method of Production (Flowing or Artificial Lift)	Flowing	Shut In	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)	1030 BTU	N/A	N/A
Producing, Shut-In or New Zone	Shut In	Shut In	Producing
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: 7/20/02 Rates: 21 mcf/d 0 bopd 0 bwpd	Date: 9/1/02 Rates: 180 mcf/d 0 bopd 0 bwpd	Date: 9/4/02 Rates: 188 mcf/d 0 bopd 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 Gas 0% 4%	Oil Gas 0% 47%	Oil Gas 0% 49%

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 James W. Pringle TITLE Operations Engineer DATE: 9/9/02
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182

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

September 9, 2002

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo and the Wildcat Penn (Strawn) in our Grynberg "LZ" State #1 located in Unit I of Section 36, Township 5 South, Range 24 East, Chaves County

If you have any questions or need additional information, please call me at (505) 748-4182.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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1936 - 1986



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SECRETARY
DENNIS G. KINSEY
TREASURER

September 9, 2002

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 Pecos Slope Abo and the Wildcat Penn (Strawn) in our Grynberg "LZ" State #1 located in Unit I of Section 36, Township 5 South, Range 24 East, Chaves County

If you have any questions or need additional information, please call me at (505) 748-4182.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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SECRETARY
DENNIS G. KINSEY
TREASURER

September 9, 2002

Pete Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Mr. Martinez,

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Grynberg "LZ" State #1 located in Unit I of Section 36, Township 5 South, Range 24 East, Chaves County

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/cm

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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 August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-60602	² Pool Code	³ Pool Name Pecos Slope Abo
⁴ Property Code	⁵ Property Name Grynberg "LZ" State	
⁷ OGRID No.	⁸ Operator Name Yates Petroleum Corporation	⁶ Well Number 1 ⁹ Elevation 3868'

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
I	36	5S	24E		1980	South	660	East	Chaves

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

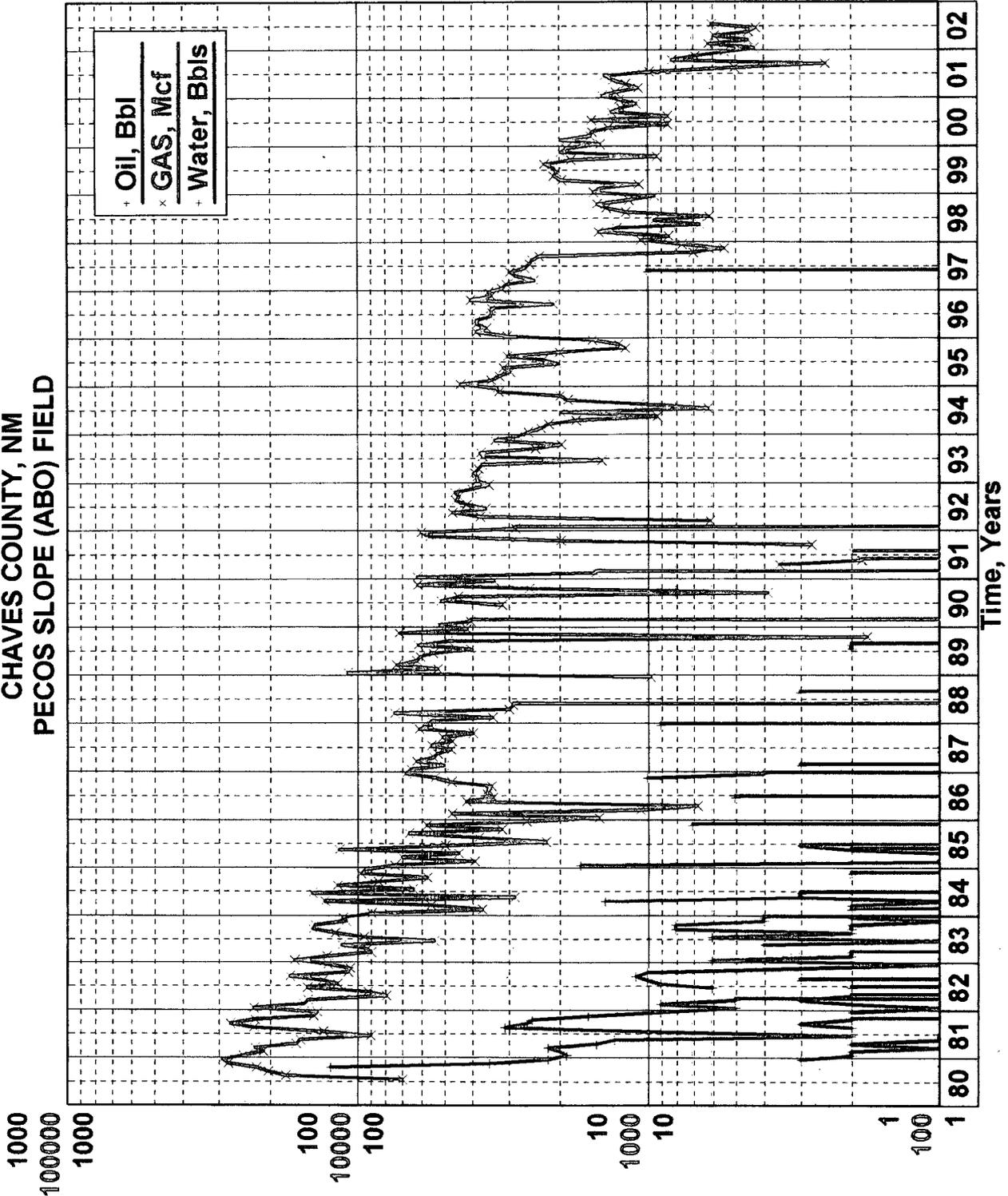
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		<p>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></p> <p style="text-align: center;"><i>Cherry Matchus</i> Signature Cherry Matchus</p> <p>Printed Name <u>Engineering Technician</u> Title</p> <p style="text-align: center;">9-9-02 Date</p> <p>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></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

**GRYNBERG LZ STATE 1
CHAVES COUNTY, NM
PECOS SLOPE (ABO) FIELD**

PSD 05/01/1902
Phase GAS
Type
Decline(%)
qi
Cum(M) 07/2002 1331.494
Remaining(M)
Ultimate(M)
OGRE Cum(M)
OGRE Ult(M)
Segment ???
Type
Decline(%)
qi
Limit IMOS
Forecast 05/01/1902
Decline(%) 0.0
q 0
q actual
Cum(M) 04/1902 0.000
Remaining(M) 0.000
OGRE Cum(M) 0.000



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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 August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-60602	² Pool Code	³ Pool Name Wildcat (Wolfcamp)
⁴ Property Code	⁵ Property Name Grynberg LZ State	
⁷ OGRID No.	⁸ Operator Name Yates Petroleum Corporation	⁶ Well Number 1
		⁹ Elevation 3868'

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
I	36	5S	24E		1980	South	660	East	Chaves

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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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 <i>Cherry Matheus</i>		
	Printed Name Cherry Matheus		
	Title Engineering Technician		
Date 9-9-02			
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			

-660'-
1980'

The Wildcat Wildcat (Wolfcamp) is a new zone and production curves are not available.

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-60602		² Pool Code		³ Pool Name Wildcat Penn (Strawn)	
⁴ Property Code		⁵ Property Name Grynberg LZ State			⁶ Well Number 1
⁷ OGRID No.		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3868'

¹⁰ Surface Location

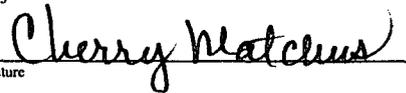
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	36	5S	24E		1980	South	660	East	Chaves

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 360	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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
				-660- 1980	

The Wildcat Strawn (Penn) is a new zone and production curves are not available.