

**Yates Petroleum Corporation**

105 South Fourth Street, Artesia, New Mexico 88210

DHC-3776-A

**FAX**

Date: 2/13/07

Number of Pages: 4

To: Will Jones

From: Debbie Chavez

Phone: (505)476-3440

Phone: (505) 748-4361

Fax: (505) 476-3462

Fax: (505) 748-4585

Will,

Please let me know if you need anything else from me to amend Administrative Order DHC-3776.

Thank you.

Debbie Chavez

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1926 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (805) 749-1471

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

February 13, 2007

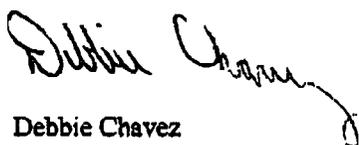
Will Jones  
State of New Mexico  
OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Re: Allison CQ Federal #2

Dear Mr. Jones

Enclosed please find an amended copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Allison CQ Federal #2 of 16-19S-26E, Eddy County, New Mexico.

Sincerely,



Debbie Chavez  
Engineering Technician

Enclosures

**District I**  
1635 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

**AMENDED** Form C-107A  
Revised June 10, 2003

**District II**  
601 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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

**District III**  
1000 Rio Grande Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

Yates Petroleum Corporation

105 South Forth Street, Artesia, NM 88210

*DHC-3776-A*

Operator

Address

Allison CQ Federal #2  
Lease

Unit I - Section 12 - 19S-24E

Eddy

Well No. Unit Letter-Section-Township-Range

County

OGRID No. 025575 Property Code 010580 API No. 30-015-22935 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>UPPER</i> Penasco Draw; Permo Penn Gas		
Pool Code	82775 ✓		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,591-7,842'		
Method of Production (Flowing or Artificial Lift)	Flowing		
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>			
Producing, Shut-In or New Zone	New Zone		
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: New Zone Rates:		Date: Rates:
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas Allocation % will be submitted when completed		

**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 *Shannon Moss* TITLE Operations Engineer DATE \_\_\_\_\_

TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209

E-MAIL ADDRESS shannonm@ypcnm.com

**District I**  
1625 N. Pecos Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

**AMENDED** Form C-107A  
Revised June 10, 2003

**District II**  
7001 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

**District III**  
1000 Rio Grande Road, Alamo, NM 87410

Single Well  
Establish Pre-Approved Pools

**District IV**  
1230 S. St. Francis Dr., Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE  
 Yes  No

Yates Petroleum Corporation

105 South Fourth Street, Artesia, NM 88210

Operator

Address

Allison CQ Federal #2

Unit I - Section 12 - 19S-24E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

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DATA ELEMENT	UPPER ZONE ✓	INTERMEDIATE ZONE ✓	LOWER ZONE ✓
Pool Name	Wildcat Strawn Gas	Wildcat Atoka Gas	Boyd Morrow Gas
Pool Code	96881	96849	72840 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,300-8,304'	8,471-8,515'	8,732-8,877'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>			
Producing, Shut-In or New Zone	New Zone	New Zone	Shut-In
Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production maximum and supporting data.)</small>	Date: New Zone Rates:	Date: Rates:	Date: 5/31/06 Rates: 100 mcf
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed	Oil Gas Allocation % will be submitted when completed

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SIGNATURE Shannon Moss TITLE Operations Engineer DATE \_\_\_\_\_

TYPE OR PRINT NAME Shannon Moss TELEPHONE NO. (505) 748-4209

E-MAIL ADDRESS shannonm@yepcm.com