

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

[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.

Print Name	Signature	Title	Date
E-mail Address			

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

RECEIVED

APR 13 2007

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

April 10, 2007

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

Re: Ziffel BEY State Com #2

Dear Mr. Jones

Enclosed please find a copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Ziffel BEY State Com #2 of 34-18S-24E, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

A handwritten signature in cursive script that reads 'Debbie Chavez'.

Debbie Chavez  
Engineering Technician

Enclosures

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation

The Penasco Draw; Permo Penn is a new zone and production curves are not available.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-34119</b>		<sup>2</sup> Pool Code <b>72840</b>	<sup>3</sup> Pool Name <b>Boyd; Morrow</b>
<sup>4</sup> Property Code <b>34270</b>	<sup>5</sup> Property Name <b>Ziffel BEY State Com</b>		<sup>6</sup> Well Number <b>2</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>		<sup>9</sup> Elevation <b>3,744'</b>

<sup>10</sup> Surface Location

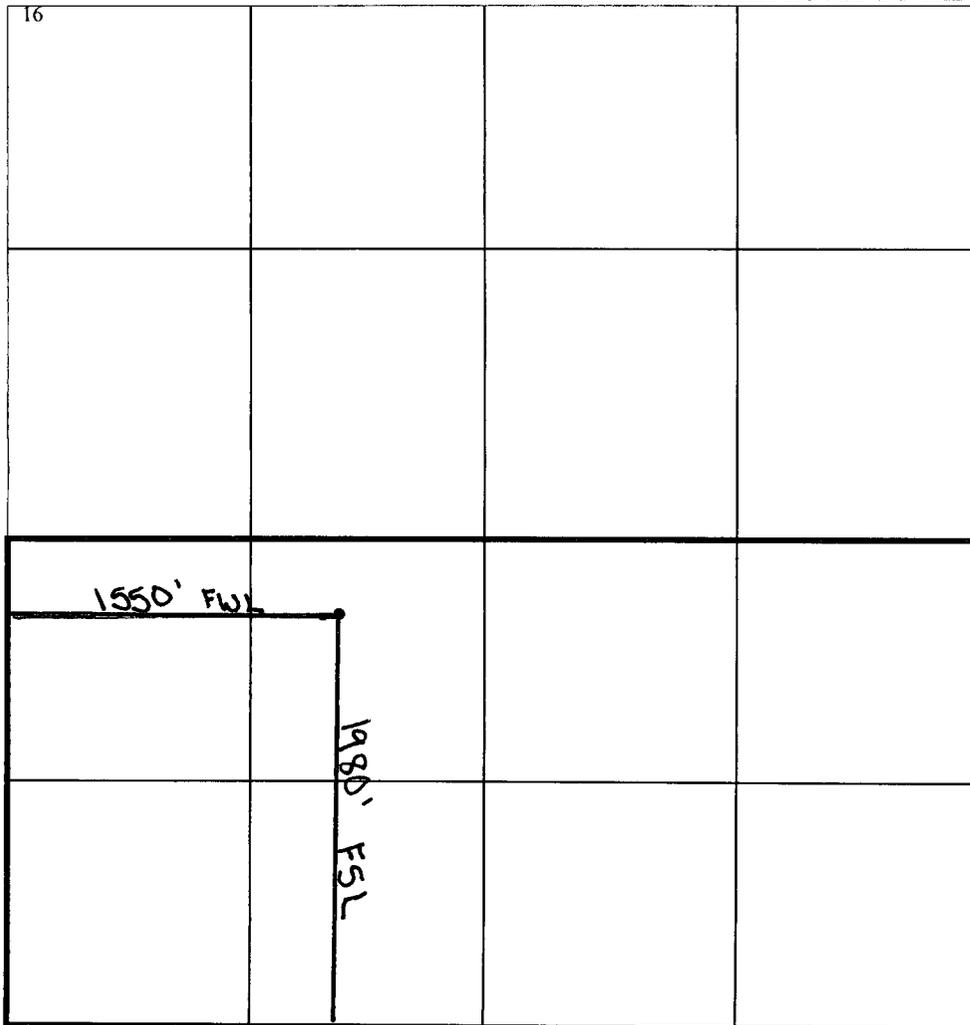
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>K</b>	<b>34</b>	<b>18S</b>	<b>24E</b>		<b>1,980'</b>	<b>FSL</b>	<b>1,550'</b>	<b>FWL</b>	<b>Eddy</b>

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION

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

*Debbie Chavez*  
Signature

Debbie Chavez  
Printed Name

Engineering Technician

Title and E-mail Address

4/5/07

Date

<sup>18</sup> 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 of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-34119</b>		<sup>2</sup> Pool Code <b>82775</b>	<sup>3</sup> Pool Name <b>Penasco Draw; Permo Penn</b>
<sup>4</sup> Property Code <b>34270</b>	<sup>5</sup> Property Name <b>Ziffel BEY State Com</b>		<sup>6</sup> Well Number <b>2</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>		<sup>9</sup> Elevation <b>3,744'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>K</b>	<b>34</b>	<b>18S</b>	<b>24E</b>		<b>1,980'</b>	<b>FSL</b>	<b>1,550'</b>	<b>FWL</b>	<b>Eddy</b>

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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<sup>16</sup>			

<sup>17</sup> OPERATOR CERTIFICATION

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

*Debbie Chavez*  
Signature

Debbie Chavez  
Printed Name  
Engineering Technician

Title and E-mail Address  
4/5/07

Date

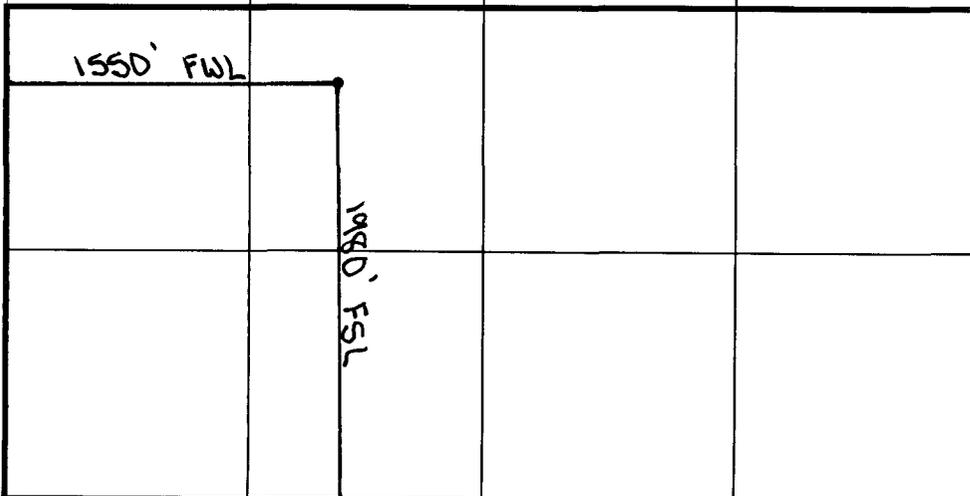
<sup>18</sup> SURVEYOR CERTIFICATION

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Date of Survey

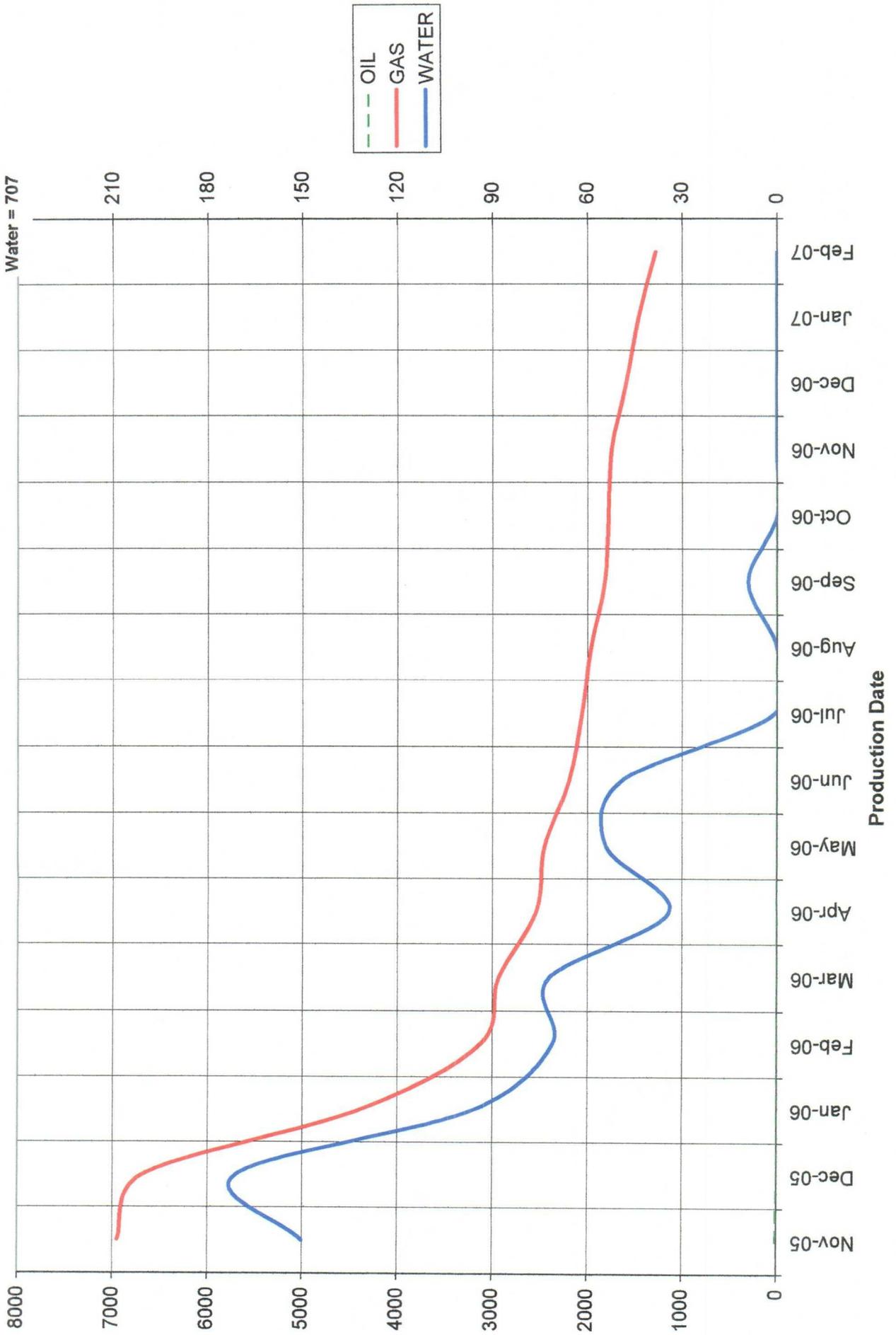
Signature and Seal of Professional Surveyor:

Certificate Number



# ZIFFEL BEY STATE COM #2 (059983-002)

Cum Monthly Prod:  
Oil = 16  
Gas = 44,931  
Water = 707



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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**

APPLICATION TYPE

District III  
1000 Rio Brazos Road, Aztec, NM 87410

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Single Well

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**Yates Petroleum Corporation**

**105 South Forth Street, Artesia, NM 88210**

Operator \_\_\_\_\_ Address \_\_\_\_\_

**Ziffel BEY State Com #2** **Unit K - Section 34- 18S-24E** **Eddy**

Lease \_\_\_\_\_ Well No. \_\_\_\_\_ Unit Letter-Section-Township-Range \_\_\_\_\_ County \_\_\_\_\_

OGRID No. **025575** Property Code **34270** API No. **30-015-34119** Lease Type: Federal  State  Fee \_\_\_\_\_

DATA ELEMENT	UPPER ZONE <i>UPPER</i>	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penasco Draw; Permo Penn <i>Gas</i>		Boyd; Morrow
Pool Code	82775 ✓		72840 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,410-6,716'		8,430-8,562'
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)			
Producing, Shut-In or New Zone	New Zone		
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: New Zone Rates:		Date: 4/2/07 0 BO Rates: 0 BW 34 Mcf
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 Allocation % will be submitted when completed		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 4/10/07

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

E-MAIL ADDRESS shannonm@ypcnm.com