

24. May. 07

W Jones

24. May. 07

DHC

PCLP0714451891

3900

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



ADMINISTRATIVE APPLICATION CHECKLIST

APPLY TO ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
AND APPLICATIONS FOR 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]

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 _____

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
(Bureau of Land Management - U.S. Department of the Interior, State Land Office)

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or:

[F] ☐ Waivers are Attached

VERIFY ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

CERTIFICATION: I, _____, certify that the information submitted with this application for administrative review is complete and correct to the best of my knowledge. I also understand that no action will be taken on this application until all required information is submitted to the Division.

I am authorized to sign this application on behalf of the applicant with managerial and/or supervisory capacity.

Yates Petroleum Corporation

105 South Forth Street, Artesia, NM 88210

Operator

Address

Arco EC State

#2

Unit I – Section 36 - 17S-25E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No.	025575	Property Code	011850	API No.	30-015- 21653	Lease Type:	Federal	<input checked="" type="checkbox"/> State	Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE						
Pool Name	Upper Eagle Creek Wildcat, Cisco Puma Horn G-2		Eagle Creek; Strawn						
Pool Code	76280		76320						
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,728-6,910'		7,988-7,996'						
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)	1183		1112						
Producing, Shut-In or New Zone	New Zone		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: New Zone Rates:		Date: 3/31/07 Rates: 0 BO 710 MCF 0 BW						
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

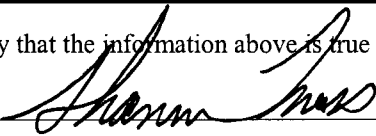
List of all operators within the proposed Pre-Approved Pools

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



TITLE

Operations Engineer

DATE

5/30/07

TYPE OR PRINT NAME

Shannon Moss

TELEPHONE NO.

(505) 748-4209

E-MAIL ADDRESS

shannonm@ypcnm.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
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

ATTACHMENT A

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

¹ API Number 30-015-21653	² Pool Code 96058	³ Pool Name Wildcat; Cisco
⁴ Property Code 010580	⁵ Property Name Arco EC State	⁶ Well Number #2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,445'

¹⁰ Surface Location

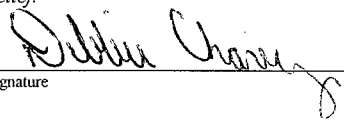
UL or lot no. I	Section 36	Township 17S	Range 25E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 1,100'	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address May 2, 2007 Date
				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> Refer to Original Plat 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
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Rio Brazos Rd., Aztec, NM 87410
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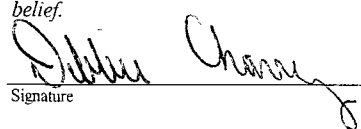
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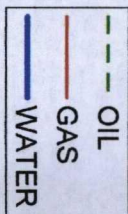
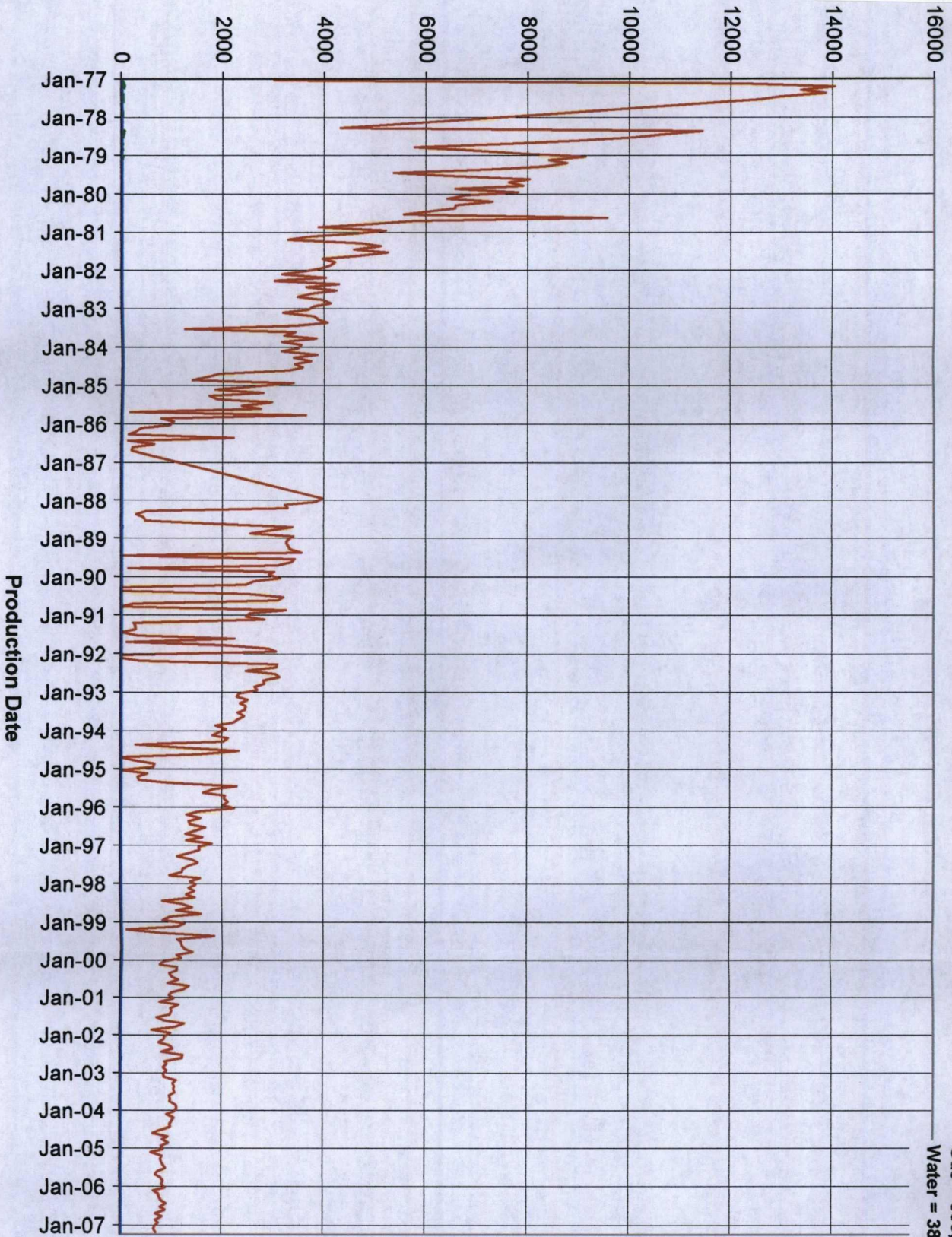
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ARCO EC STATE #2 (011850-002)

Cum Monthly Prod:
Oil = 1,347
Gas = 855,813
Water = 38



The Wildcat; Cisco is a new zone and production curves are not available.

ATTACHMENT C

To Whom It May Concern:

The Arco EC #2 is making 24 mcf (1100 btu gas) from the Strawn. The proposed Cisco interval will also be 1100 btu gas and I estimate will contribute an additional 200 mcf.

The Ingram Jackson BV #7 is making 23 mcf (1100 btu gas) from the Atoka/Morrow pool. The proposed Cisco interval will also be 1100 btu gas and I estimate will contribute an additional 200 mcf.

The DHC is needed to prevent waste and enable higher cums with extended well life. These intervals are compatible and neither will be damaged by the proposed commingle. Thank you.



Shannon Moss

Area Engineer

Work - 505-748-4209

Cell- 505-365-5214