

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

August 25, 2003

RECEIVED

AUG 28 2003

**OIL CONSERVATION
DIVISION**

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

Dear Mr. Catanach,

Yates Petroleum Corporation filed for administrative approval to downhole commingle the production from the Wildcat Wolfcamp, Wildcat Strawn and the Wildcat Cisco in our Gem Dandy "BCG" State Com #1 located in Unit L, Section 35 T16S, R27E, Eddy County on May 15, 2003. We received authority to commingle on June 10th 2003. We had originally included the Wildcat Strawn in our application. At this time there is a CIBP over the formation. Please note the changes on the allocation percentages.

If you have any questions or need additional information, please call me at (505) 748-4219.

Sincerely,

James M. Hill
Operations Engineer

JMH/cm

Enclosures

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

District II
311 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
AMENDED

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Operator Address

Gem Dandy "BCG" State Com 1 L 35 16S 27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code _____ API No. 30-015-32666 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Wolfcamp	Wilcat Cisco	
Pool Code			
Top and Bottom of PaySection (Perforated or Open-Hole Interval)	6064-6172'	7652-7800'	
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)	NA		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA		
Producing, Shut-In or New Zone	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: 5/14/03 Rate: 53 mcf/d 38 bopd 10 bwpd	Date: 5/8/03 Rate: 53 mcf/d 4 bopd 20 bwpd	Date: Rate:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 90% Gas 50%	Oil 10% Gas 50%	Oil % Gas %

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 _____

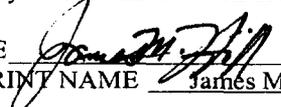
NMOCD Reference Case No. applicable to this well: _____

- 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 August 25, 2003
TYPE OR PRINT NAME James M. Hill TELEPHONE NO. (505)-748-4219

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TREASURER

August 25, 2003

Tim Gum
Oil Conservation Division
1301 W. Grand
Artesia, New Mexico 88210

Dear Mr. Gum;

Yates Petroleum Corporation filed for administrative approval to downhole commingle the production from the Wildcat Wolfcamp, Wildcat Strawn and the Wildcat Cisco in our Gem Dandy "BCG" State Com #1 located in Unit L, Section 35 T16S, R27E, Eddy County on May 15, 2003. We received authority to commingle on June 10th 2003. We had originally included the Wildcat Strawn in our application. At this time there is a CIBP over the formation. Please note the changes on the allocation percentages.

If you have any questions or need additional information, please call me at (505) 748-4219.

Thank you.

Sincerely,

James M. Hill
Operations Engineer

JMH/cm

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August 25, 2003

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

Dear Mr. Martinez,

Yates Petroleum Corporation filed for administrative approval to downhole commingle the production from the Wildcat Wolfcamp, Wildcat Strawn and the Wildcat Cisco in our Gem Dandy "BCG" State Com #1 located in Unit L, Section 35 T16S, R27E, Eddy County on May 15, 2003. We received authority to commingle on June 10th 2003. We had originally included the Wildcat Strawn in our application. At this time there is a CIBP over the formation. Please note the changes on the allocation percentages.

Should you have any questions, feel free to contact me at (505) 748-4129.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James M. Hill'.

James M. Hill
Operations Engineer

JMH/cm

Enclosures