

4-21-11 DATE IN	SUSPENSE	ENGINEER DD	LOGGED IN 4.21.11	TYPE DHC	APP NO. 111152508
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PTGW

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Yates 25575*  
*Loving A/B #7*  
*30-015-37126*

**ADMINISTRATIVE APPLICATION CHECKLIST**

4372

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]

*Ed by State*

- [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 X 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.**

Mike Hill \_\_\_\_\_ Area Engineer \_\_\_\_\_ 4/13/11  
 Print or Type Name Signature Title Date

\_\_\_\_\_ mikeh@yatespetroleum.com \_\_\_\_\_  
 e-mail Address

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S. P. YATES

1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

JOHN A. YATES  
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.  
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JAMES S. BROWN  
CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

RECEIVED OCD  
21 APR 21 P 12:37

April 19, 2011

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

Re: Loving AIB #7

Dear Mr. Brooks:

Enclosed please find a revised copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation, Section 16-23S-28E, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4361

Sincerely,

Debbie Chavez  
Engineering Technician

Enclosure(s)

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**  
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 Brazos 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

Operator Loving AIB Address 7 Unit P - Section 16 - 23S-28E Eddy  
Lease 7 Well No. Unit Letter-Section-Township-Range County Eddy

OGRID No. 025575 Property Code 12521 API No. 30-015-37126 Lease Type: Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Loving; Delaware South		Wildcat; Bone Springs (Gas)
Pool Code	40380		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,048-6,224'		6,430-6,514'
Method of Production (Flowing or Artificial Lift)			
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)	1182 BTU		1144 BTU
Producing, Shut-In or New Zone	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: 4/10/11 21 BO Rates: 105 MCFD 228 BW		Date: 2/27/11 1 BO Rates: 124 MCFD 1 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 95% Gas 46%		Oil 5% Gas 54%

**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:**

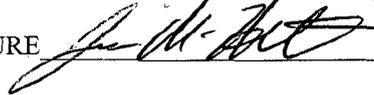
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 4/19/11  
TYPE OR PRINT NAME Mike Hill TELEPHONE NO. (575) 748-4219  
E-MAIL ADDRESS mikeh@yatespetroleum.com

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  
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>30-015-37126</b>		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Wildcat; Bone Springs (Gas)</b>	
<sup>4</sup> Property Code <b>12521</b>	<sup>5</sup> Property Name <b>Loving AIB</b>		<sup>6</sup> Well Number <b>#7</b>	
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>		<sup>9</sup> Elevation <b>3,032'</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>P</b>	<b>16</b>	<b>23S</b>	<b>28E</b>		<b>510'</b>	<b>FSL</b>	<b>660'</b>	<b>FEL</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>160</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

				<p><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.</p> <p><i>Debbie Chavez</i> Signature</p> <p>Debbie Chavez Printed Name</p> <p>Engineering Technician Title and E-mail Address</p> <p>3/17/11 Date</p>
				<p><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.</p> <p>Refer to Original Plat</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				<p>Certificate Number</p>

510'S  
660'E

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-37126</b>		<sup>2</sup> Pool Code <b>40380</b>		<sup>3</sup> Pool Name <b>Loving; Delaware South</b>	
<sup>4</sup> Property Code <b>12521</b>		<sup>5</sup> Property Name <b>Loving AIB</b>			<sup>6</sup> Well Number <b>#7</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>3,032'</b>

<sup>10</sup> Surface Location

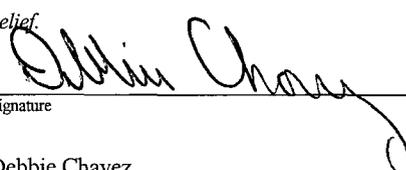
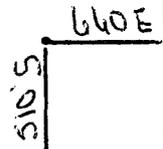
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	23S	28E		510'	FSL	660'	FEL	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

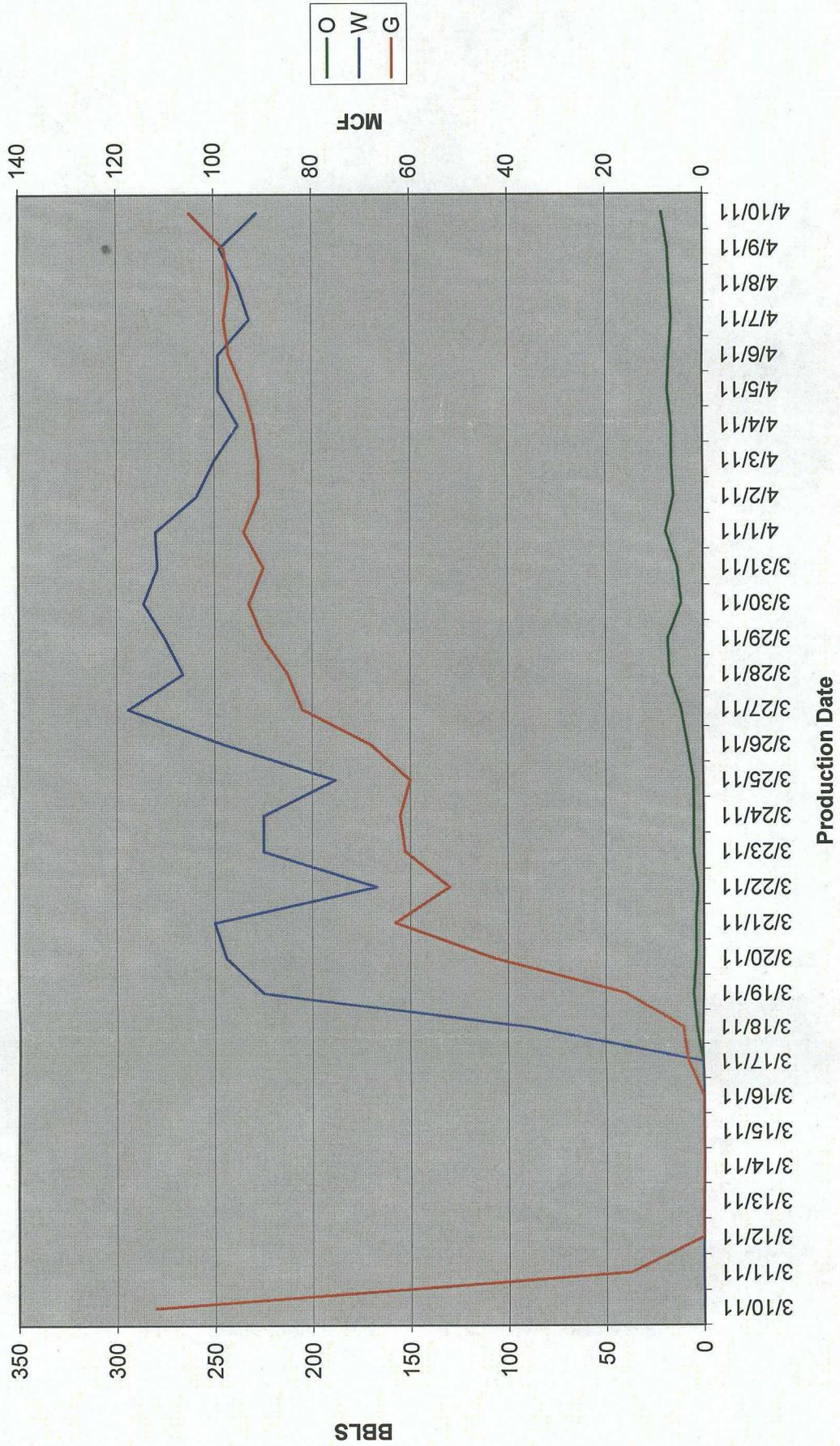
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres <b>160</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

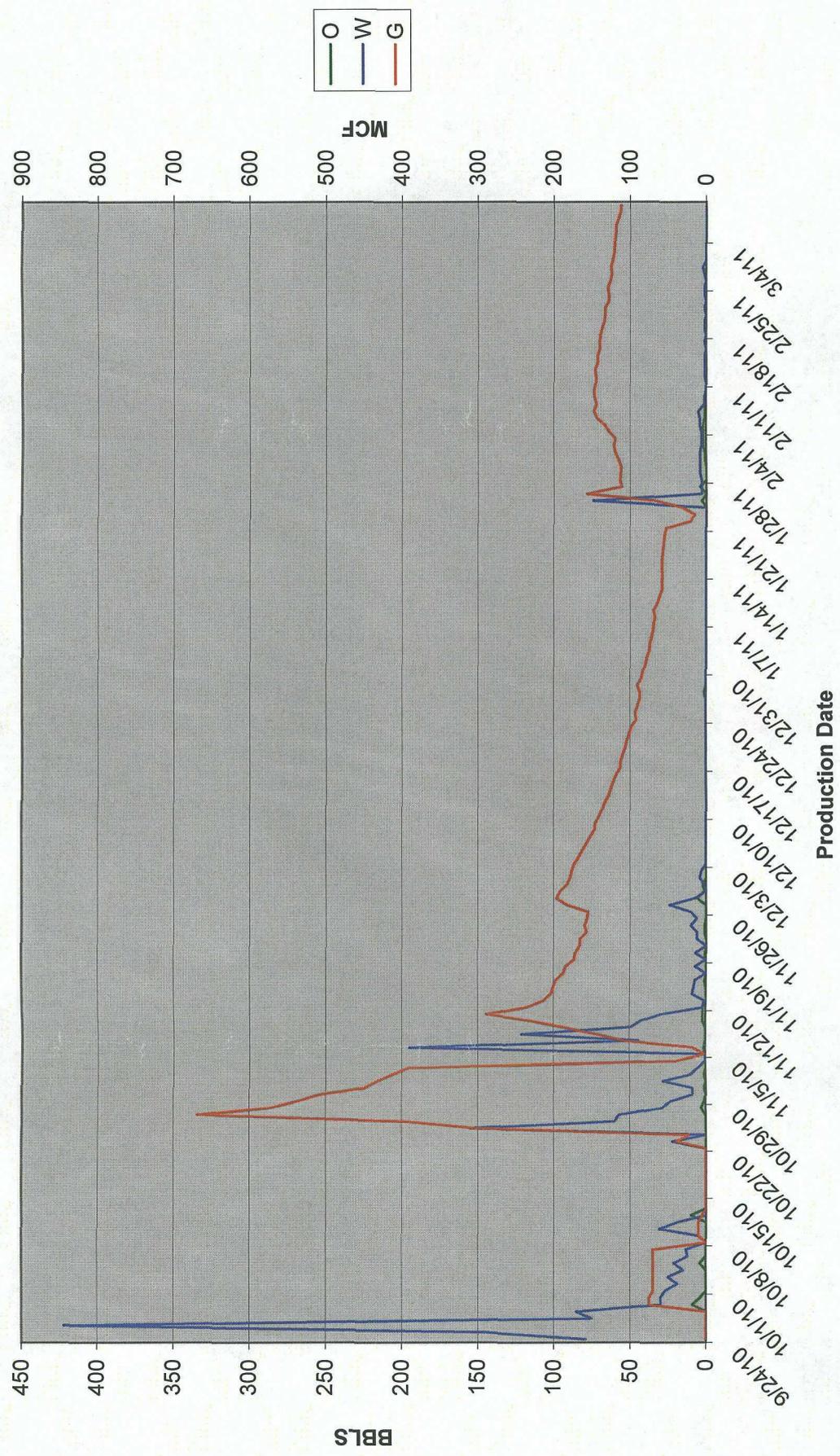
				<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address 3/17/11 Date	
				<sup>18</sup> SURVEYOR CERTIFICATION <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	

**LOVING AIP #7  
(Delaware)**



	O	W	G	
3/10/2011	0	0	0	112
3/11/2011	0	0	0	15
3/12/2011	0	0	0	0
3/13/2011	0	0	0	0
3/14/2011	0	0	0	0
3/15/2011	0	0	0	0
3/16/2011	0	0	0	0
3/17/2011	0	0	0	3
3/18/2011	3	89	0	4
3/19/2011	5	225	0	16
3/20/2011	4	244	0	43
3/21/2011	4	250	0	63
3/22/2011	3	167	0	52
3/23/2011	5	225	0	61
3/24/2011	5	225	0	62
3/25/2011	5	188	0	60
3/26/2011	8	245	0	68
3/27/2011	11	294	0	82
3/28/2011	17	266	0	85
3/29/2011	18	275	0	90
3/30/2011	11	286	0	93
3/31/2011	13	279	0	90
4/1/2011	19	280	0	94
4/2/2011	15	259	0	91
4/3/2011	16	250	0	91
4/4/2011	16	238	0	92
4/5/2011	18	248	0	94
4/6/2011	17	248	0	97
4/7/2011	16	232	0	98
4/8/2011	17	238	0	97
4/9/2011	18	247	0	98
4/10/2011	21	228	0	105

**LOVING AIB #7  
(Bone Springs)**



	O	W	G
9/24/2010	0	79	0
9/25/2010	0	145	0
9/26/2010	0	422	0
9/27/2010	0	75	0
9/28/2010	0	85	0
9/29/2010	9	30	75
9/30/2010	4	30	75
10/1/2010	0	27	70
10/2/2010	0	19	70
10/3/2010	0	25	70
10/4/2010	0	15	70
10/5/2010	4	21	70
10/6/2010	0	12	70
10/7/2010	0	13	70
10/8/2010	0	0	0
10/9/2010	0	5	10
10/10/2010	0	31	10
10/11/2010	0	19	10
10/12/2010	10	0	5
10/13/2010	0	0	0
10/14/2010	0	0	0
10/15/2010	0	0	0
10/16/2010	0	0	0
10/17/2010	0	0	0
10/18/2010	0	0	0
10/19/2010	0	0	0
10/20/2010	0	0	0
10/21/2010	0	0	0
10/22/2010	0	0	0
10/23/2010	0	22	39
10/24/2010	0	0	22
10/25/2010	0	155	304
10/26/2010	0	60	394
10/27/2010	0	57	668
10/28/2010	3	29	574
10/29/2010	1	23	538
10/30/2010	0	9	509
10/31/2010	1	9	450
11/1/2010	0	28	433
11/2/2010	1	10	413
11/3/2010	0	5	391
11/4/2010	0	0	39
11/5/2010	0	0	0
11/6/2010	1	195	17
11/7/2010	0	44	107
11/8/2010	0	121	143
11/9/2010	0	49	187
11/10/2010	2	42	233
11/11/2010	2	29	288
11/12/2010	2	2	236
11/13/2010	0	1	213

11/14/2010	0	9	203
11/15/2010	0	8	200
11/16/2010	1	7	197
11/17/2010	0	0	187
11/18/2010	0	7	184
11/19/2010	0	0	173
11/20/2010	1	7	171
11/21/2010	0	0	166
11/22/2010	0	6	165
11/23/2010	1	6	157
11/24/2010	1	10	159
11/25/2010	0	6	156
11/26/2010	0	10	155
11/27/2010	0	24	182
11/28/2010	6	7	196
11/29/2010	1	0	191
11/30/2010	2	1	182
12/1/2010	0	4	178
12/2/2010	0	3	176
12/3/2010	0	0	173
12/4/2010	0	0	167
12/5/2010	0	0	162
12/6/2010	0	0	157
12/7/2010	0	0	152
12/8/2010	0	0	146
12/9/2010	0	0	145
12/10/2010	0	0	140
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12/13/2010	0	0	128
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12/29/2010	0	0	90
12/30/2010	0	0	85
12/31/2010	0	0	83
1/1/2011	0	0	80
1/2/2011	0	0	78
1/3/2011	0	0	75
1/4/2011	0	0	74

1/5/2011	0	0	72
1/6/2011	0	0	70
1/7/2011	0	0	69
1/8/2011	0	0	67
1/9/2011	0	0	69
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1/11/2011	0	0	61
1/12/2011	0	0	58
1/13/2011	0	0	58
1/14/2011	0	0	57
1/15/2011	0	0	58
1/16/2011	0	0	58
1/17/2011	0	0	57
1/18/2011	0	0	56
1/19/2011	0	0	55
1/20/2011	0	0	54
1/21/2011	0	0	52
1/22/2011	0	0	21
1/23/2011	0	0	15
1/24/2011	0	0	31
1/25/2011	3	74	66
1/26/2011	0	3	156
1/27/2011	4	3	111
1/28/2011	0	3	113
1/29/2011	0	4	112
1/30/2011	0	4	112
1/31/2011	1	4	115
2/1/2011	1	4	119
2/2/2011	2	3	121
2/3/2011	2	3	119
2/4/2011	2	3	127
2/5/2011	2	4	133
2/6/2011	1	4	143
2/7/2011	1	5	147
2/8/2011	1	1	144
2/9/2011	1	1	146
2/10/2011	0	0	147
2/11/2011	0	0	145
2/12/2011	1	1	145
2/13/2011	0	1	146
2/14/2011	0	1	143
2/15/2011	0	1	143
2/16/2011	0	0	140
2/17/2011	0	1	140
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2/19/2011	0	1	137
2/20/2011	0	1	134
2/21/2011	0	0	133
2/22/2011	0	1	133
2/23/2011	0	0	128
2/24/2011	0	1	128
2/25/2011	0	1	129

2/26/2011	0	0	126
2/27/2011	1	1	124
2/28/2011	0	2	125
3/1/2011	0	0	123
3/2/2011	0	0	121
3/3/2011	0	0	120
3/4/2011	0	0	120
3/5/2011	0	0	119
3/6/2011	0	0	119
3/7/2011	0	0	116
3/8/2011	0	0	113
3/9/2011	0	0	112