

# ILLEGIBLE

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form O-107-4  
New 3-12-96

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:  
 Administrative  Hearing

EXISTING WELLBORE  
 Yes  No

### APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation      105 S. Fourth Street      Artesia, NM 88210

Morton Unit      1      B 5-16S-35E      Lea

OGRI NO. 025575      Property Code 018677      API NO. 30-025-33314      Spacing Unit Lease Type:  Federal  State  and/or Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	North Morton Atoka (Gas) 96676	Wildcat Morrow 36070	Wildcat Mississippian 96593
2. Top and Bottom of Pay Section (Perforations)	12524'-12933'	13207'-13243'	13407'-13426'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
5. Bottomhole Pressure	a. Current	a.	a. Current
	Oil Zones - Artificial Lift: Estimated Current	3886	5400
Gas & Oil - Flowing: Measured Current	b. Original	b.	b. Original
	All Gas Zones: Estimated Or Measured Original	4000	5413
6. Oil Gravity (API) or Gas STU Content	1150	1210	1127
7. Producing or Shut-in?	Producing	Shut-in	Shut-in
Production Marginal? (yes or no)	Yes	Yes	Yes
8. If Shut-in, give 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:	Date: 1-9-97	Date: 12-3-96
	Rates:	Rates: 0 BOPD 0 BWPD 94 MCFGPD	Rates: 0 BOPD 0 BWPD 136 MCFGPD
9. If Producing, give date and oil/gas/water rates of recent test (within 90 days)	Date: Estimated	Date:	Date:
	Rates: 30 BOPD 5 BWPD 1000 MCFGPD	Rates:	Rates:
10. Fixed Percentage Allocation (Formula: % for each zone total of %'s to equal 100%)	Oil: 100%      Gas: 82%	Oil: 0%      Gas: 8%	Oil: 0%      Gas: 10%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No  
If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No

11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable.  Yes  No (If No, attach explanation)

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12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No
13. Will the value of production be decreased by commingling?  Yes  No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No
15. NMCCO Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

16. 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 all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Morris Keith TITLE Operations Engineer DATE 4-21-93

TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-1471

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11990 Exhibit No. 2

Submitted by: Yates Petroleum Corporation

Hearing Date: July 23, 1998