

## DISTRICT I

P.O. Box 1380 Hobbs, NM 88241 1980

State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-107-A  
New 3-12-96

## DISTRICT II

811 South First St., Artesia, NM 88210 2835

## OIL CONSERVATION DIVISION

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

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410 1693

## APPLICATION FOR DOWNHOLE COMMINGLING

## EXISTING WELLBORE

☒ YES ☐ NO

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

Operator

Address

Martin ARH

1

J 27-17S-26E

Eddy

Lease

Well No.

Unit Ltr. - Sec. - Twp. - Rge

County

OGRID NO. 025575Property Code 20843API NO. 30-015-29592

Spacing Unit Lease Types: (check 1 or more)

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	Kennedy Farms Upper Penn 79525	Atoka	Kennedy Farms Morrow 79520
2. Top and Bottom of Pay Section (Perforations)	8202'-8210'	8327'-8333'	8563'-8568' 8626'-8646'
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) 1900 psi	a. 3348 psi	a. (Current) 1186 psi
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 2100 psi	b. 3348 psi	b. (Original) 3476 psi
6. Oil Gravity ( API) or Gas BTU Content	1212 BTU Content	N/A	N/A
7. Producing or Shut-In?	Producing	Shut-In	Shut-In
Production Marginal? (yes or no)	Yes	Yes	Yes
* If Shut-In, give 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: Rates:	Date: 3-24-98 (6 HR. TEST) Rates: 0 BOPD 0 BOPD 45 MCFGPD	Date: 2-5-98 Rates: 0 BOPD 0 BOPD 41 MCFGPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 4-22-97 Rates: 0 BOPD 0 BOPD 67 MCFGPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 43.8% Gas: 43.8%	Oil: 29.4% Gas: 29.4%	Oil: 26.8% Gas: 26.8%

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)

Hearing Date: July 23, 1998