

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

May 20, 2005

Mr. Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
1301 W. Grand Street
Artesia, NM 88210

RECEIVED

MAY 23 2005

OOD-ARTESIA

Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo the Foor Ranch (Wolfcamp) in our Roulette "AXR" State #1 located in Unit E of Section 8, Township 10 South, Range 26 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.
Thank you.

Sincerely,

James W. Pringle
Operations Engineer

JWP

Enclosures

District I
625 N. French Drive, Hobbs, NM 88240

District II
811 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

1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Operator Address
Roulette "AXR" State 1 E 8 10S 26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code API No. 30-005-63410 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope (Abo)		Foor Ranch (Wolfcamp)
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4,482' - 4,746'		5,080' - 5,174'
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)		RECEIVED MAY 23 2005 OIL-ARTESIA	
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New		New
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.)	Rates: 100 mcf/d 0 bopd 0 bwpd	Rates:	Rates: 100 mcf/d 0 bopd 5 bwpd
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 % 50 %	Oil Gas % %	Oil Gas % 50%

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 James W. Pringle TITLE Operations Engineer DATE: 5/20/05
TYPE OR PRINT NAME James W. Pringle TELEPHONE NO. (505) 748-4182

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63410	² Pool Code 82730	³ Pool Name Pecos Slope Abo
⁴ Property Code 28797	⁵ Property Name Roulette AXR State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3779'GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	10S	26E		1775	North	788	West	Chaves


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

¹² Dedicated Acres 160	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

<p>16</p>	<p>RECEIVED</p> <p>MAY 23 2005</p> <p>OCC-ARTESIA</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Tina Huerta</i></p> <p>Signature</p> <p>Tina Huerta</p> <p>Printed Name</p> <p>Regulatory Compliance Supervisor</p> <p>Title and E-mail Address</p> <p>May 5, 2005</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>		



The Pecos Slope Abo is a new zone and production curves are not available.

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
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

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 30-005-63410	² Pool Code 76750	³ Pool Name Foor Ranch Wolfcamp Gas
⁴ Property Code 28797	⁵ Property Name Roulette AXR State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3779'GR

¹⁰ Surface Location

UL or lot no. E	Section 8	Township 10S	Range 26E	Lot Idn	Feet from the 1775	North/South line North	Feet from the 788	East/West line West	County Chaves
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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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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

<div> <div>16</div> <div>1775' N</div> <div>788' W</div> </div>	<div> <div>RECEIVED</div> <div>MAY 23 2005</div> <div>OOB-ARTESIA</div> </div>				<div> <div>¹⁷ OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div> <div>Tina Huerta</div> <div>Signature</div> </div> <div> <div>Tina Huerta</div> <div>Printed Name</div> </div> <div>Regulatory Compliance Supervisor</div> <div>Title and E-mail Address</div> <div>May 5, 2005</div> <div>Date</div> </div>
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The Foor Ranch (Wolfcamp) is a new zone and production curves are not available.

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1912 - 1985
FRANK W. YATES
1936 - 1986



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TREASURER

May 20, 2005

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

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo the Foor Ranch (Wolfcamp) in our Roulette "AXR" State #1 located in Unit E of Section 8, Township 10 South, Range 26 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP

Enclosures

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FRANK W. YATES
1936 - 1986



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May 20, 2005

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

Dear Mr. Martinez,

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Yates Petroleum Corporation's Roulette "AXR" State No. 1 located in Unit E of Section 8, Township 10 South, Range 26 East, Chaves County.

If you have any questions or need additional information, please call me at (505) 748-4182.

Sincerely,

James W. Pringle
Operations Engineer

JWP