<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

District II 1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe. NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE

Form C-107A

Revised June 10, 2003

APPLICATION FOR DOWNHOLE COMMINGLING

X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE X Yes No

Yates Petroleum Corporation	105 South Fo	orth Street, Artesia, NM 88210	30-005-636
Operator	Ado	dress	
Willow Creek BFI State			Chaves
Lease	Well No. Unit Letter-	Section-Township-Range	County
OGRID No.025575 Property Code	e_034268API No30-005	5-63692 Lease Type:	Federal X State Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope Abo		Wildcat Wolfcamp
Pool Code	82730		96086
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12,027-12,-035		12,268-12,299'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)		RECEIVED	
Producing, Shut-In or New Zone	New Zone	DEC 2 2 2005	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	Date: New Zone	111111111111111111111111111111111111111	Date: New Zone
estimates and supporting data.)	Rates:		Rates:
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 Allocation % will be submitted when completed		Oil Gas Allocation % will be submitted when completed
	ADDITIO	NAL DATA	
Are all working, royalty and overriding			YesXNo YesNo
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Are all produced fluids from all commingled zones compatible with each other?			Yes X No
·			Yes NoX_
Will commingling decrease the value of production?			resNoX_
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?			YesX No
NMOCD Reference Case No. applicab	le to this well:		
Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty	gled showing its spacing unit and ac at least one year. (If not available, ry, estimated production rates and so or formula. y and overriding royalty interests for documents required to support com	attach explanation.) upporting data. r uncommon interest cases.	
	PRE-APPRO	VED POOLS	
If application is	to establish Pre-Approved Pools, th	ne following additional information w	ill be required:
List of other orders approving downhol List of all operators within the proposed Proof that all operators within the proposed Bottomhole pressure data.	le commingling within the proposed d Pre-Approved Pools	Pre-Approved Pools	
I hereby certify that the information	a above is true and complete to t	he best of my knowledge and beli	ef.
SIGNATURE Wark &	TITLE Op	erations Engineer DATE 12/	20/05
ГҮРЕ OR PRINT NAME <u>Mark H</u>		PHONE NO. (505) 748-4237	
E-MAIL ADDRESS MAI	ok # os kins@ypcnm.com		

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

The Wildcat Wolfcamp is a new zone and production curves are not available.

MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

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EXECUTIVE VICE PRESIDENT
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SECRETARY
DENNIS G. KINSEY
TREASURER

S. P. YATES

December 20, 2005

DEC 2.2 2005

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

Re: Willow Creek BFI State #7

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo and the Wildcat Wolfcamp pools in our Willow Creek BFI State #7 located in Unit G, of Section 30, Township 4 South, Range 25 East, in Chaves County, NM.

If you have any questions or need additional information, please call me at (505) 748-4237.

Sincerely,

Mark Hoskins Operations Engineer

ah Hoof

MH/dc

Enclosures