

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
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RANDY G. PATTERSON
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TREASURER



August 9, 2006

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

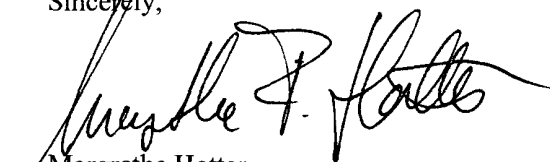
Re: Jumper BJA State Com #1

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Strawn and the Abo dolomite in our Jumper BJA State Com #1 Unit O, of Section 10, Township 12 South, Range 27 East, in Eddy County, New Mexico..

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,



Margrethe Hotter
Operations Engineer

MH/dc

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240

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

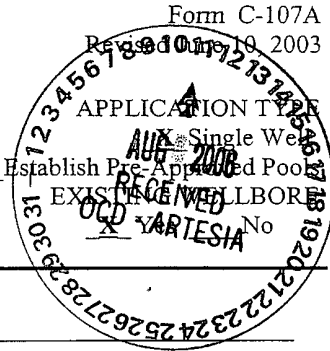
District III
1000 Rio Brazos Road, Aztec, NM 87410

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 FOR DOWNHOLE COMMINGLING



Yates Petroleum Corporation		105 South Forth Street, Artesia, NM 88210	
Operator		Address	
Jumper BJA State Com #1	Unit O – Section 10 - 12S-27E	Chaves	
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 025575 Property Code 061277 API No. 30-05-00333 Lease Type: Federal ☒ State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Abo Dolomite		Wildcat Strawn
Pool Code	97019		96081
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,578-5,664'		6,813-6,844'
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)			
Producing, Shut-In or New Zone	New Zone		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 estimates and supporting data.)	Date: New Zone Rates:		Date: New Zone 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

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 Margrethe Hotter TITLE Operations Engineer DATE _____

TYPE OR PRINT NAME Margrethe Hotter TELEPHONE NO. (505) 748-4165

E-MAIL ADDRESS mhotter@ypcnm.com

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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

Submit to: Appropriate District Office
Revised June 10, 2003
State Base - 4 Copies
Revised - 3 Copies
OCD - ARTESIA
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-05-00333		² Pool Code 96081	³ Pool Name Wildcat Strawn
⁴ Property Code 061277	⁵ Property Name Jumper BJA State Com		⁶ Well Number #1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3,672'

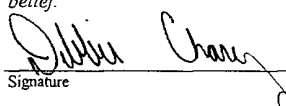
¹⁰ Surface Location

UL or lot no. O	Section 10	Township 12S	Range 27E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 1,980'	East/West line East	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
¹² Dedicated Acres 160		¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.				

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 style="position: relative; height: 100px;"> <div style="position: absolute; bottom: 10px; left: 10px; border: 1px solid black; padding: 5px;"> 440 FSL 1980 FSL </div> </div>				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address August 10, 2006 Date	
				¹⁸ 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. Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor:	
				Certificate Number	