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DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_



#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James M. Hill  
Print or Type Name

Signature

Operations Engineer  
Title

10-2-03  
Date

e-mail Address

District I  
1625 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

2040 South Pacheco  
Santa Fe, New Mexico 87505

APPLICATION TYPE

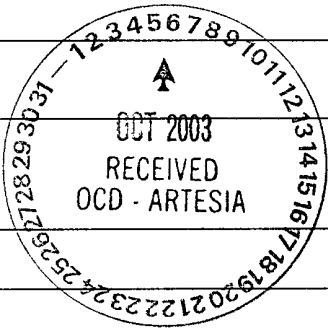
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210  
Operator Address

Tracy AXW State 1 I Sec25-T21S,R26E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code API No 30-015-31582 Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Und. Happy Valley Strawn Northeast		Burton Flat Morrow
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10500-10504 10624-10636		11460-11466 11595-11802
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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NA		NA
Producing, Shut-In or New Zone	New Zone		Producing
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: Not Yet Completed. A fixed percentage allocation formula based on actual production rates will be submitted for approval after testing		Date: 8/6/03 Rates: 529 mcf/d 3 bopd 12 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 % %	Oil Gas % %	Oil Gas % %

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 M. Hill TITLE Operations Engineer DATE: 10/02/03  
TYPE OR PRINT NAME James M. Hill TELEPHONE NO. 505-748-4129

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

October 2, 2003

Tim Gum  
State of New Mexico  
OIL CONSERVATION DIVISION  
811 S. First Street  
Artesia, NM 88210



Dear Mr. Gum,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Undesignated Happy Valley Strawn Northeast and the Burton Flat Morrow in our Tracy AXW State #1 located in Unit I of Section 25, Township 21 South, Range 26 East, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4129. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'James M. Hill'.  
James M. Hill  
Operations Engineer

JMH/cm

Enclosures

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



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SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 2, 2003

David Catanach  
State of New Mexico  
OIL CONSERVATION DIVISION  
2040 S. Pacheco Street  
Santa Fe, NM 87505-5472




Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Undesignated Happy Valley Strawn Northeast and the Burton Flat Morrow in our Tracy AXW State #1 located in Unit I of Section 25, Township 21 South, Range 26 East, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4129. Thank you.

Sincerely,

  
James M. Hill  
Operations Engineer

JMH/cm

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1936 - 1986



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SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 2, 2003

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

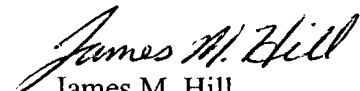


Dear Mr. Martinez,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Undesignated Happy Valley Strawn Northeast and the Burton Flat Morrow in our Tracy AXW State #1 located in Unit I of Section 25, Township 21 South, Range 26 East, Eddy County, New Mexico.

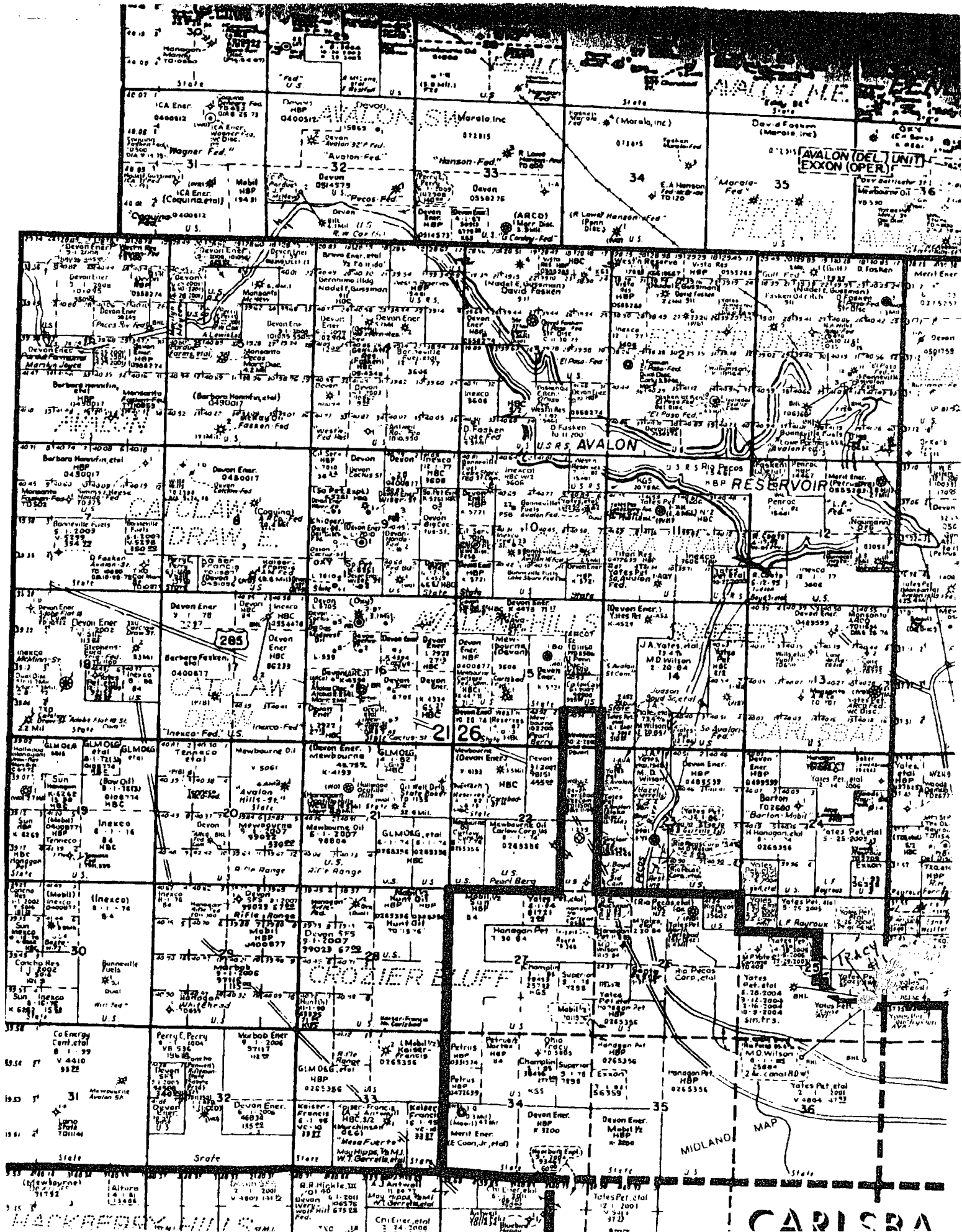
If you have any questions or need additional information, please call me at (505) 748-4129.  
Thank you.

Sincerely,

  
James M. Hill  
Operations Engineer

JMH/cm

Enclosures



## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

811 South First, 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

Form C-102

Revised August 15, 2000

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-31582</b>		<sup>3</sup> Pool Name <b>Burton Flat Morrow</b>	
<sup>4</sup> Property Code <b>27177</b>	<sup>5</sup> Property Name <b>Tracy "AXW" State</b>		<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>		<sup>9</sup> Elevation <b>3127</b>

<sup>10</sup> Surface Location

U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>25</b>	<b>21S</b>	<b>26E</b>		<b>1650</b>	<b>South</b>	<b>660</b>	<b>East</b>	<b>Eddy</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

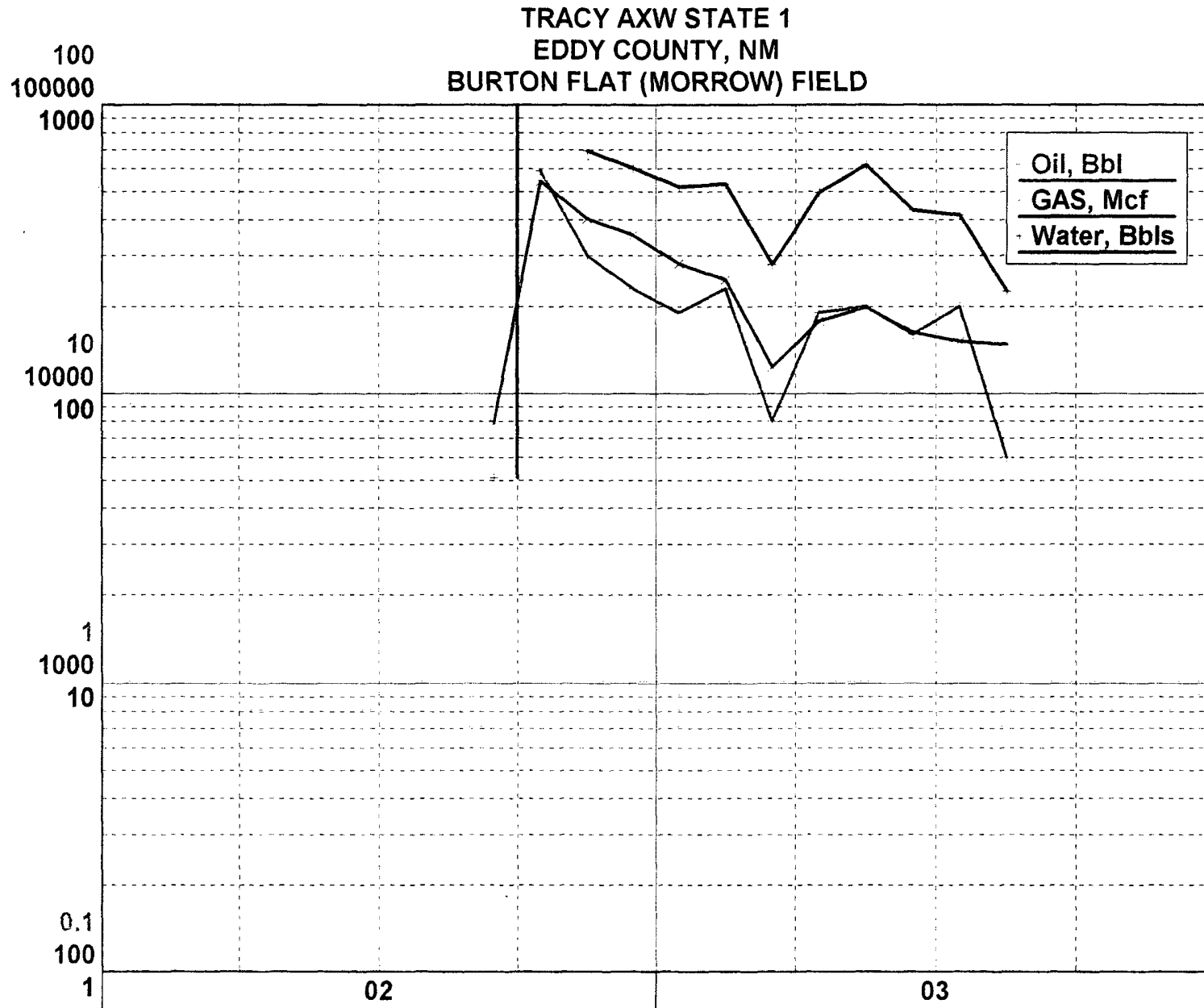
U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>36</b>	<b>21S</b>	<b>26E</b>		<b>660</b>	<b>North</b>	<b>660</b>	<b>East</b>	<b>Eddy</b>

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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E/2 Sec 36

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

	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ <b>Cherry Matchus</b> Printed Name _____ <b>Engineering Technician</b> Title _____ Date: <u>10-2-03</u>
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____



PSD	07/01/1905
Phase	GAS
Type	
Decline(%)	
qi	
Cum(M) 08/2003	286.874
Remaining(M)	
Ultimate(M)	
OGRE Cum(M)	
OGRE Ult(M)	
Segment	???
Type	
Decline(%)	
qi	
Limit	IMOS
Forecast	07/01/1905
Decline(%)	0.0
q	0
q actual	
Cum(M) 06/1905	0.000
Remaining(M)	0.000
OGRE Cum(M)	0.000



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State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-31582</b>	<sup>3</sup> Pool Name <b>Undesignated Happy Valley Strawn Northeast</b>	
<sup>4</sup> Property Code <b>27177</b>	<sup>5</sup> Property Name <b>Tracy "AXW" State</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>3127</b>

<sup>10</sup> Surface Location

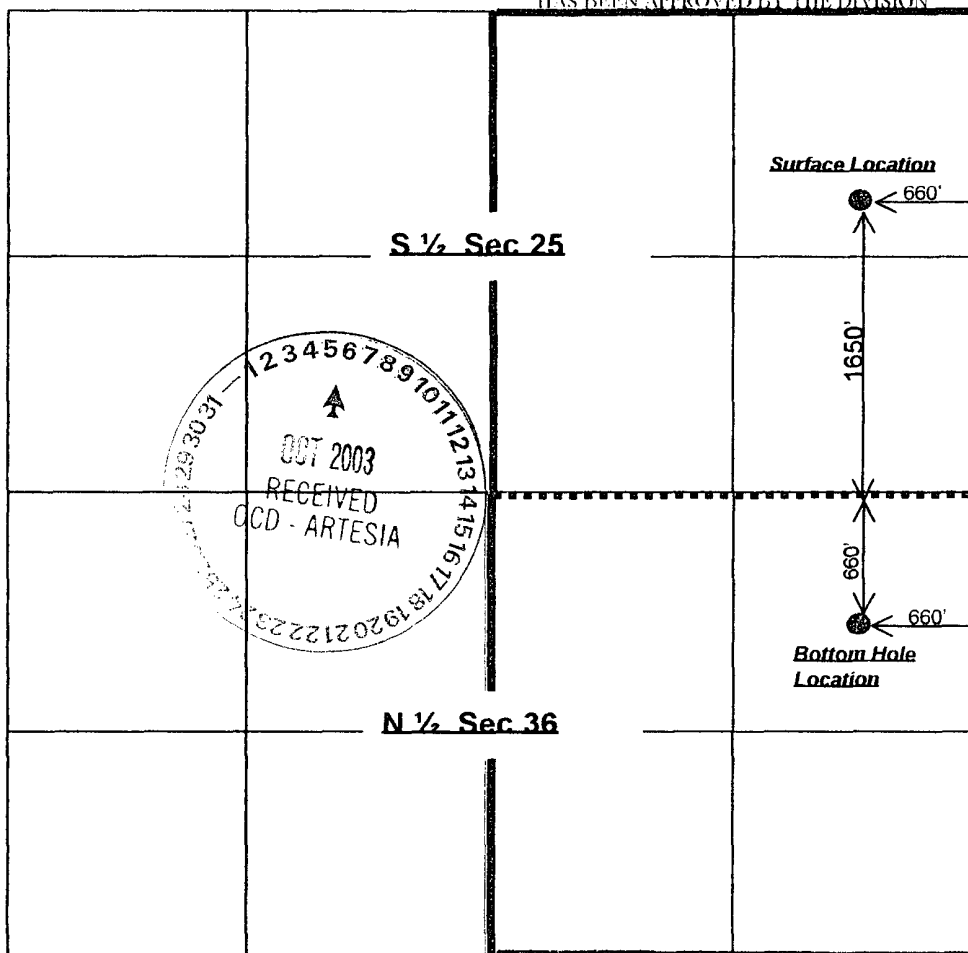
U/I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>25</b>	<b>21S</b>	<b>26E</b>		<b>1650</b>	<b>South</b>	<b>660</b>	<b>East</b>	<b>Eddy</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

U/I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>36</b>	<b>21S</b>	<b>26E</b>		<b>660</b>	<b>North</b>	<b>660</b>	<b>East</b>	<b>Eddy</b>

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	<p><b>S 1/2 Sec 25</b></p>
	<p><b>N 1/2 Sec 36</b></p>
<p><b>Surface Location</b></p> <p>660'</p> <p>1650'</p> <p><b>Bottom Hole Location</b></p> <p>660'</p>	
<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <u>Cherry Matchus</u></p> <p>Printed Name: <u>Cherry Matchus</u></p> <p>Title: <u>Engineering Technician</u></p> <p>Date: <u>10-2-03</u></p>	
<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey:</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number:</p>	

The Undesignated Happy Valley Strawn Northeast is a new zone and production curves are not available.