

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

Form C-107A
Revised June 10, 2003

DEC 5 2007

OCD-ARTESIA

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

APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools

EXISTING WELLBORE
☒ Yes ☐ No

Yates Petroleum Corporation 105 South Forth Street, Artesia, NM 88210

Operator Address

Humidor State Unit #2 Unit J – Section 26 – 24S-27E Eddy

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No.025575 Property Code 32580 API No. 30-015-23221 Lease Type: Federal ☒ State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Sulfate Draw; Delaware (O)		Wildcat; Bone Springs (O)
Pool Code	57850		96053
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3,805-5,328'		8,230-8,352'
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)	37 GR		45 GR
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  TITLE Operations Engineer DATE 12/4/07

TYPE OR PRINT NAME Mike Hill TELEPHONE NO. (505) 748-4219

E-MAIL ADDRESS mhill@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

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 30-015-23221	² Pool Code 57850	³ Pool Name Sulfate Draw; Delaware
⁴ Property Code 32580	⁵ Property Name Humidor State Unit	⁶ Well Number #2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,201

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
J	26	24S	27E		1880'	South	1980'	East	Eddy

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

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address December 4, 2007 Date
				¹⁸ SURVEYOR CERTIFICATION <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> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

The Sulfate Draw; Delaware is a new zone and production curves are not available.

The Wildcat; Bone Springs is a new zone and production curves are not available.

We need to complete both zones to make an economic well.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23221	² Pool Code 96053	³ Pool Name Wildcat; Bone Springs
⁴ Property Code 32580	⁵ Property Name Humidor State Unit	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁶ Well Number #2
		⁹ Elevation 3,201

¹⁰ Surface Location

UL or lot no. J	Section 26	Township 24S	Range 27E	Lot Idn	Feet from the 1880'	North/South line South	Feet from the 1980'	East/West line East	County Eddy
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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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