

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



T. M. Gurn

Horizon AWH State #1

30-005-63316

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 _____

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[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 W. Pringle

Print or Type Name

James W. Pringle

Signature

Operations Engineer

Title

06/10/2004

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Operator Address
Horizon AWH State 1 A 16 9S 26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025575 Property Code API No. 30-005-63316 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope Abo		Foor Ranch Wolfcamp
Pool Code			
Top and Bottom of PaySection (Perforated or Open-Hole Interval)	4420-4696	RECEIVED	5372-5386'
Method of Production (Flowing or Artificial Lift)	Flowing	JUN 14 2004	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	OCB-ARTESIA	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: Rate: 200 mcf 0 bo 0 bw		Date: Rate: 10 mcf 0 bo 0 bw
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 % 90%	Oil Gas % %	Oil Gas % 10%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No ____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No ____
Are all produced fluids from all commingled zones compatible with each other? Yes X No ____
Will commingling decrease the value of production? Yes ____ No X
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: 6/10/04
OR PRINT NAME James W. Pringle TELEPHONE NO. (505)-748-4182

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

June 10, 2004

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

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OCD-ARTESIA

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo and the Foor Ranch Wolfcamp pools in our Horizon AWH State #1 located in Unit A Section 16, T9S-R26E, Chaves County, New Mexico.

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

Sincerely,

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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TREASURER

June 10, 2004

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

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OOB-ARTESIA

Dear Mr. Catanach,

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope Abo and the Foor Ranch Wolfcamp pools in our Horizon AWH State #1 located in Unit A Section 16, T9S-R26E, Chaves County, New Mexico.

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

Sincerely,

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

James W. Pringle
Operations Engineer

JWP/cm

Enclosures

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1912 - 1985
FRANK W. YATES
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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
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DENNIS G. KINSEY
TREASURER

June 10, 2004

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

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OCD-ARTESIA

Dear Mr. Martinez,

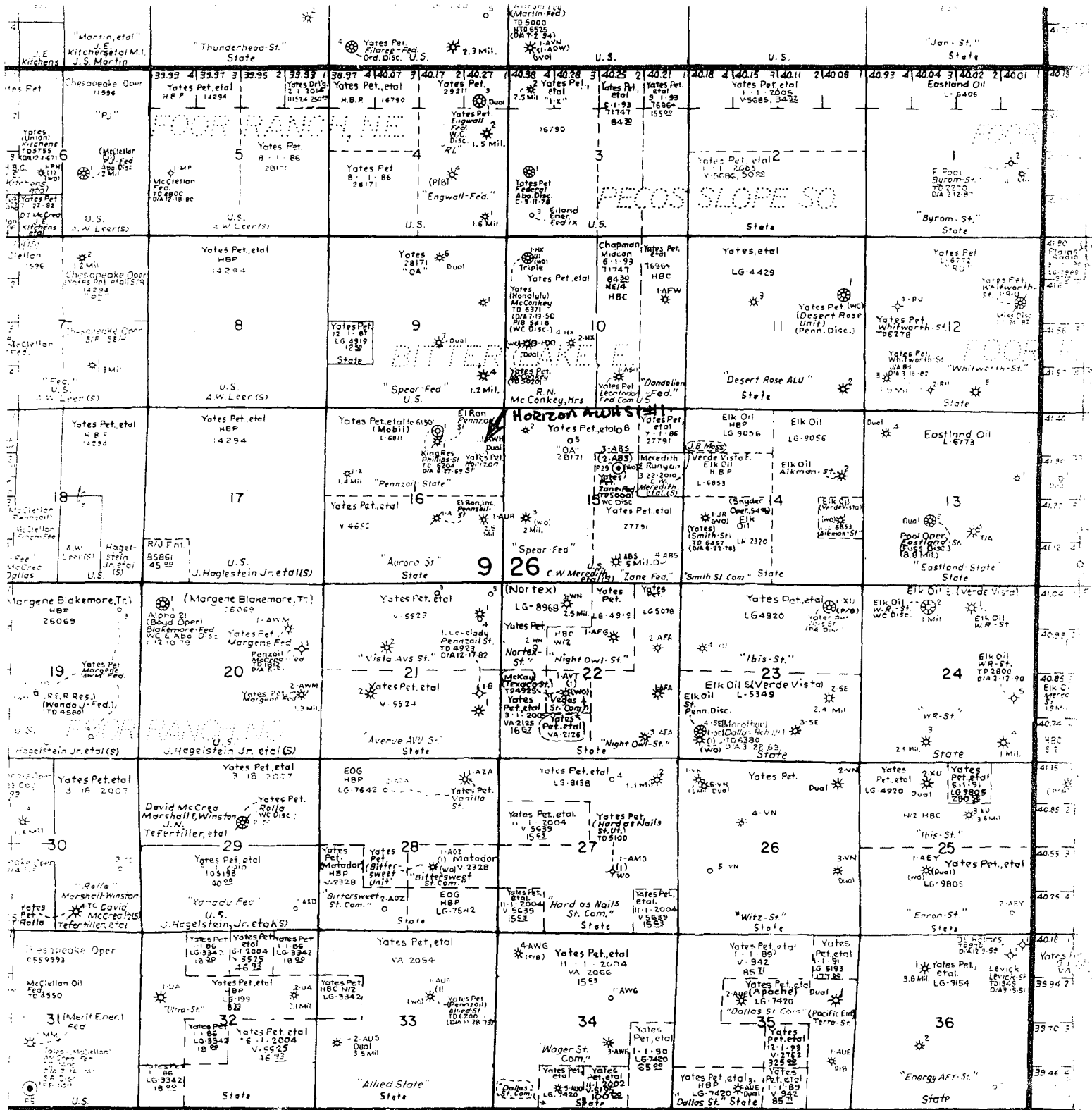
Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Horizon AWH State #1 located in Unit A Section 16, T9S-R26E, Chaves County, New Mexico.

Should you have any questions, feel free to contact me at (505) 748-4181. Thank you.

Sincerely,

James W. Pringle
Operations Engineer

JWP/cm



R-26-E

ON ALL NON LIBRARY MAP PRODUCTS
INCLUDING PZ MAPS AND WILDCAT MAPS

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A MAP IS DELIVERED TO THE LICENSEE WITH THE LICENSE TO USE SAME. FOR SUCH AS LICENSEE DEEMS FIT ONLY FOR LICENSEE'S PERSONAL OR INTERNAL USE BUT ALLOWING ONLY IN-STATE PHOTOCOPYING OF BLACK AND WHITE PAPER PLATS NOT EXCEEDING 11" x 17" IN SIZE, BUT IN ANY EVENT ANY SUCH REPRODUCTION MUST SHOW THE LAND MAP COMPANY COPYRIGHT AND ANY OTHER REPRODUCTION OF THIS MAP MAY ONLY BE MADE BY DUAL PERMIT, AND AS SET FORTH BELOW. NO RIGHT OF REPRODUCTION OF THIS LICENSE, SHOT PLATS PROVIDED THEREFROM, OR PRODUCT IS GIVEN, ANY DIGITIZATION OF THIS DATA, INCLUDING ANY TYPE OF SCANNING, IS EXPRESSLY PROHIBITED. THE RIGHT TO USE OR REPRODUCE TO ALLOW OTHERS TO USE OR REPRODUCE THIS MAP IS RESERVED EXCLUSIVELY TO MIDLAND MAP COMPANY. MAPS OR PARTS THEREOF REPRODUCED SHALL SHOW

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Although the information is carefully prepared, the user should be aware that it is not a substitute for a thorough check.

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

¹ API Number 30-005-63316		³ Pool Name Foor Ranch Wolfcamp	
⁴ Property Code	⁵ Property Name Horizon AWH State		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3768'

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
A	16	9S	26E		1200	North	660	East	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 320	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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Cherry Matchus
Cherry Matchus

Printed Name

Engineering Technician

Title

Date: 6/1/04¹⁸ 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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

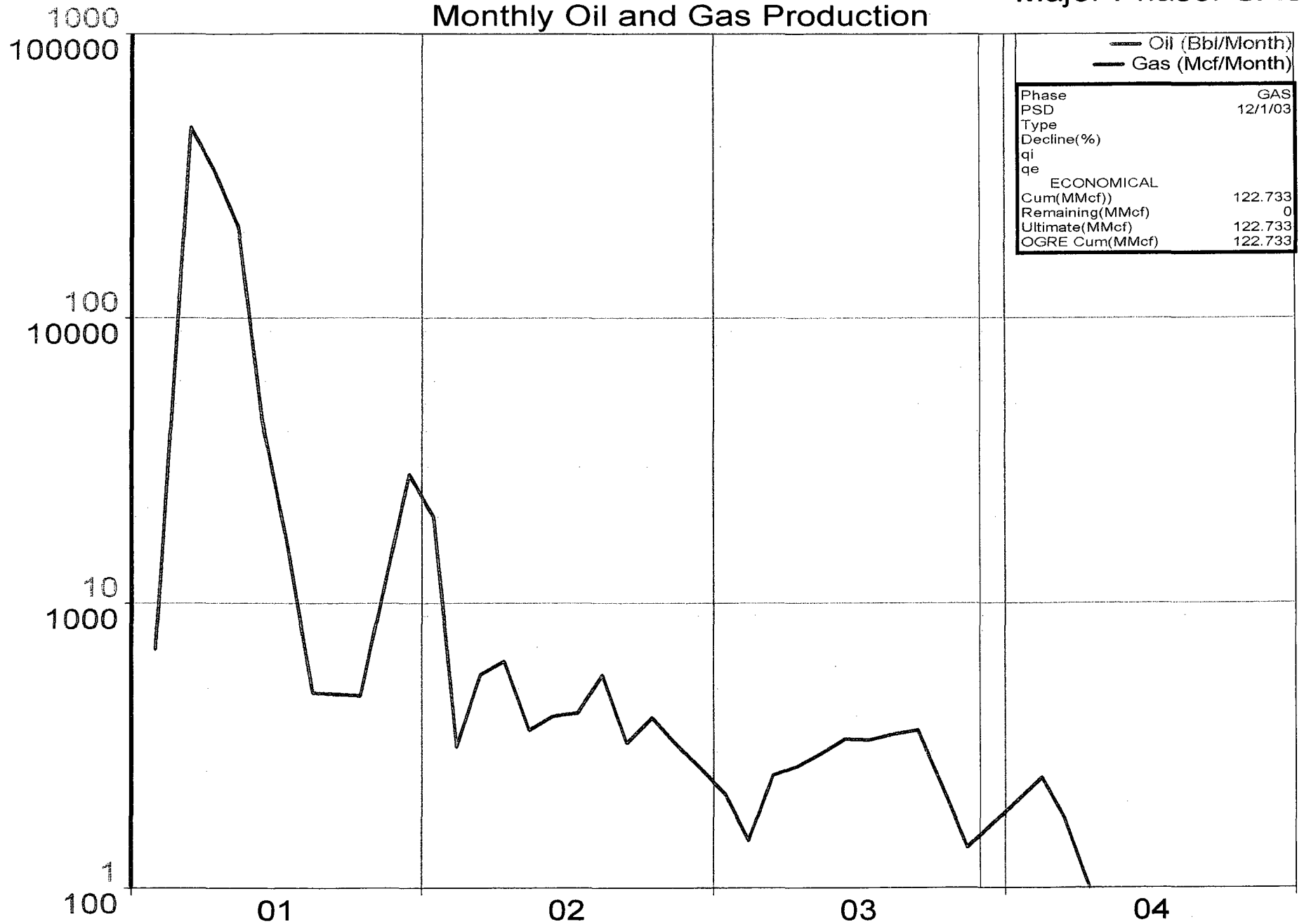
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Property 1
HORIZON AWH STATE 1
Foor Ranch Wolfcamp
Monthly Oil and Gas Production

Major Phase: GAS



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Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
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Santa Fe, NM 87505Form C-102
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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	<p>17 OPERATOR CERTIFICATION</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>Cherry Matchus</p> <p>Printed Name</p> <p>Engineering Technician</p> <p>Title</p> <p>Date: <u>6/1/04</u></p>

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