

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

Oil Conservation Division
1220 South St. Francis Dr.
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 Forth Street, Artesia, NM 88210

Operator Address
Datil BFD State Com #1 C 2-9S-26E Chaves
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code API No. 30-005-63689 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope; Abo (Gas)		Foor Ranch; Pre-Permian, N. (G)
Pool Code	82730		97094
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4530-4900'		6072-6122'
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		RECEIVED	
	Date: 400 mcf/d 0 bopd Rates: 0 bwpd	MAR 08 2006 WOL-ARTESIA	Date: 2/28/06 91 mcf/d Rates: 0 bopd 0 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 81%		Oil Gas 19%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No X
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 X 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 3/2/06
TYPE OR PRINT NAME TELEPHONE NO. (505) 748-4327
E-MAIL ADDRESS mhoskins@ypcnm.com

16				<p>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></p> <p>Signature _____</p> <p>Debbie Chavez Printed Name</p> <p>Engineering Technician</p> <p>Title and E-mail Address _____</p> <p>July 7, 2005 Date</p>
				<p>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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

The Pecos Slope; Abo (Gas) is a new zone and production curves are not available.

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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 30-005-63689		² Pool Code 82730	³ Pool Name Pecos Slope Abo
⁴ Property Code 34347	⁵ Property Name Datil BFD State		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3850'GR

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
N	2	9S	26E		660	South	1980	West	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 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

16					RECEIVED APR 25 2005 URBAN AREA	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature
						Tina Huerta Printed Name Regulatory Compliance Supervisor Title and E-mail Address April 21, 2005 Date
1980' W 5,097'						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.
						Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Rate/Time Graph

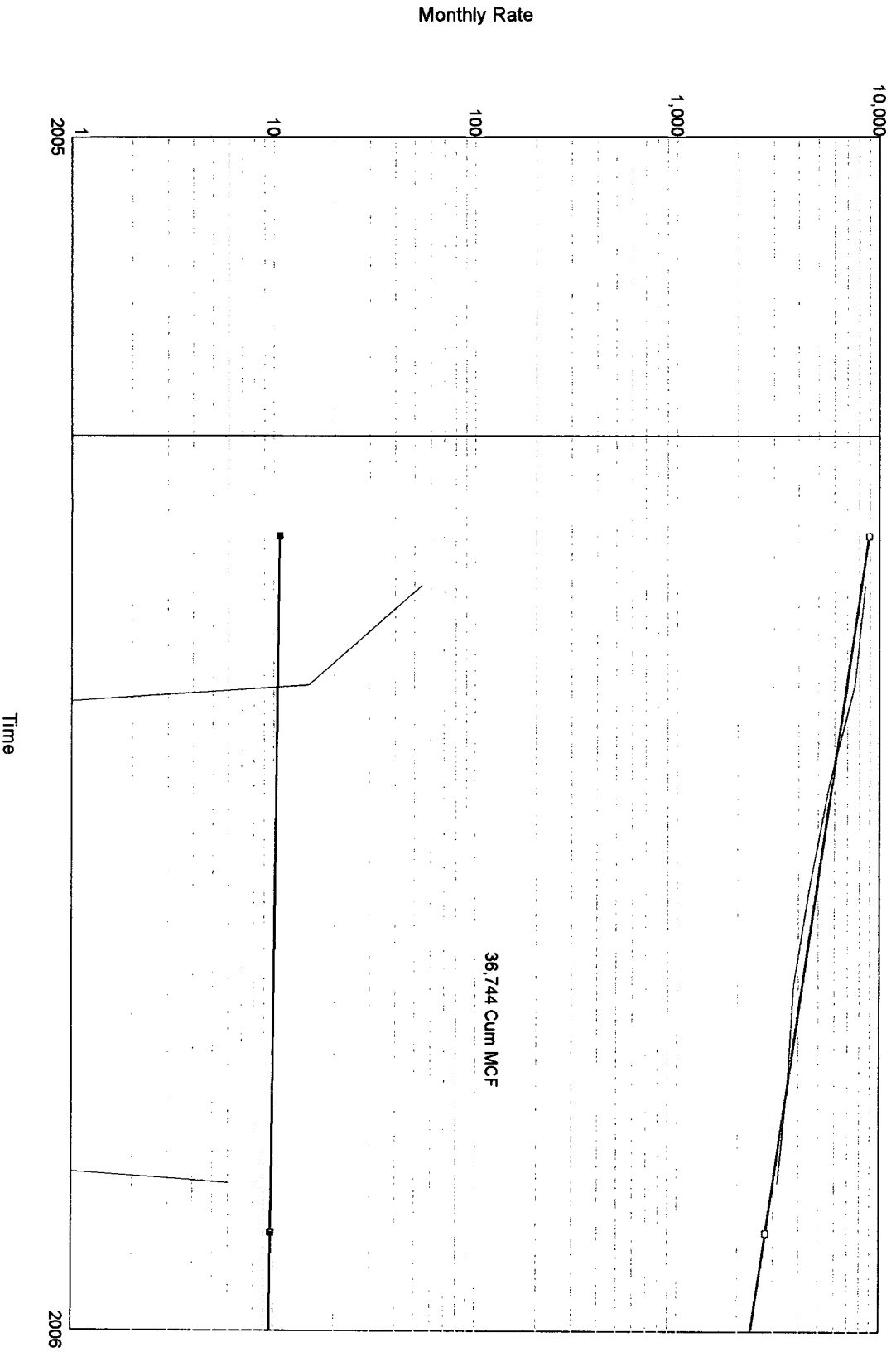
Lease Name: DATIL BFD STATE COM (1)
County, ST: CHAVES, NM
Location: 2N 9S 26E C SE SW

Project: \\s3\sys\PUBLIC\PowerTools v7.0\Projects\Datil.MDB

Operator: YATES PETROLEUM CORPORATION
Field Name: FOOR RANCH

Date: 3/2/2006
Time: 10:38 AM

DATIL BFD STATE COM - FOOR RANCH



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

March 6, 2006

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

RECEIVED
MAR 08 2006
OIL CONSERVATION

Re: Datil BFD State Com #1

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Pecos Slope; Abo and Foor Ranch; Pre-Permian pools in our Datil BFD State Com #1 located in Unit C of Section 2 Township 9South, Range 26 East, in Chaves County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4327.

Sincerely,

Mark Hoskins
Operations Engineer

MH/dc

Enclosures

INTEREST OWNERS

Datil BFD State Com #1
API No.: 30-005-63689
Unit C, Section 2-9S-26E
Chaves County, New Mexico

Gary D. McKinney
c/o Reliance Energy
6 Desta Drive, Ste 5500
Midland, TX 79702

Jack L. Waldrop, Jr.
c/o Reliance Energy
6 Desta Drive, Ste 5500
Midland, TX 79702

Les R. Honeyman
406 Skywood Circle
Midland, TX 79705

Clyde C. Wheeler
P.O. Box 50842
Midland, TX 79710-0842

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