

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
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TREASURER



August 3, 2006

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

Re: Temperate BEC Federal #1

Dear Mr. Gum;

Yates Petroleum Corporation hereby seeks administrative approval to downhole commingle the production from the Wildcat Bone Springs pools and Golden Lane; Delaware, South in our Temperate BEC Federal #1 located Section 6, Township 21 South, Range 29 East, in Eddy County; New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4219.

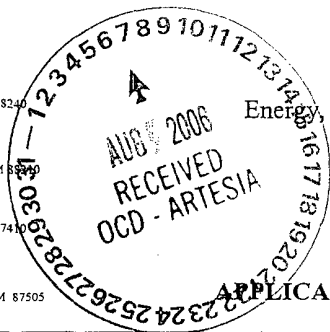
Sincerely,

Mike Hill
Operations Engineer

MH/dc

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1201 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
Lease Temperate BEC Federal #1 Section 6 - 21S-29E Eddy
Well No. Unit Letter-Section-Township-Range County

OGRID No. 025575 Property Code 018265 API No. 30-015- 34339 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Golden Lane; Delaware, South		Wildcat Bone Springs
Pool Code	28340		96053
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,870-6,528'		7,772-7,926'
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

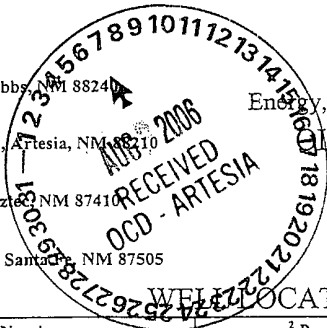
If application is to establish Pre-Approved Pools, the following additional information will be required:

- 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 Mike Hill TITLE Operations Engineer DATE 8-3-06
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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34339	² Pool Code 28340	³ Pool Name Golden Lane; Delaware, South
⁴ Property Code 35107	⁵ Property Name Temperate BEC Federal	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3443'GL

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
Lot 13	6	21S	29E		3960	North	660	West	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 40	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.

¹⁶				¹⁷ OPERATOR CERTIFICATION			
Lot 4				Lot 1			
Lot 5				Lot 8			
Lot 12				Lot 9			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
Lot 14				Lot 15			
Lot 11				Lot 10			
Lot 6				Lot 7			
Lot 3				Lot 2			
Lot 1				Lot 16			
Lot 13				Lot 16			
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¹⁶ <div style="display: flex; justify-content: space-around;"> <div>Lot 4</div> <div>Lot 3</div> <div>Lot 2</div> <div>Lot 1</div> </div>				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="display: flex; justify-content: space-between;"> <div><i>Tina Huerta</i></div> <div>August 3, 2006</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Signature</div> <div>Date</div> </div> <hr/> <div> <div>Tina Huerta</div> <div>Printed Name</div> </div>
<div style="display: flex; justify-content: space-around;"> <div>Lot 5</div> <div>Lot 6</div> <div>Lot 7</div> <div>Lot 8</div> </div>				
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<div style="display: flex; justify-content: space-around;"> <div>Lot 13</div> <div>Lot 14</div> <div>Lot 15</div> <div>Lot 16</div> </div>				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> <hr/> <div>Date of Survey</div> <hr/> <div>Signature and Seal of Professional Surveyor:</div> <hr/> <div>Certificate Number</div> <hr/>

There are no working, royalty and overriding royalty interests in this well other than Yates Petroleum Corporation



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



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

