



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 746-3558

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC.-TREAS.

September 29, 1978

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Downhole Commingling, Lizzie Howard HK No. 1
Unit K Sec 13-16s-25e, Eddy County

Dear Sir:

Exception to Rule 303-A is hereby applied for:

- (a) Operator - Yates Petroleum Corporation, Artesia, New Mexico;
- (b) Lizzie Howard HK No. 1, 1980 FSL 1980 FWL, Section 13 T16s R25e;
- (c) Cottonwood Wolfcamp and Undesignated Atoka, Form C-107, Application for Dual Completion is filed herewith;
- (d) Both zones are marginal producers after acidizing and sand frac: The Atoka completion flowed 70 psig on 1/2" choke (425 mcfpd) and the Wolfcamp completion flowed 200 psig on 1/4" choke (300 mcfpd);
- (e) This well has been shut in waiting on pipeline connection, but other wells in this shelf area all show rapid initial decline, often down to 25 percent deliverability within the first 60 days;
- (f) Shut in pressures are: Atoka - 2255# WHP (2721 psi @ 7121'), Wolfcamp - 1958# WHP.
- (g) Neither zone produces any formation water or acid gases, therefore, the fluids will not be incompatible;
- (h) Commingling will allow a longer economic productive life thereby enhancing ultimate recovery, preventing waste and protecting correlative rights.

Offset operators are notified of this intent by copy hereof and asked that they send waivers of objection to NMOCC, Santa Fe.

Yours very truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood
Eddie M. Mahfood

EMM/ob

cc: Exxon Company
Texas Oil & Gas Company

Case #6381
Sub 5a