

DISTRICT I  
1228 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Ito Brown Rd., Aztec, NM 87410  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Form C-107-A  
Revised August 1999

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE  
X YES ☒ NO ☐

# APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation 105 S. 4th Street, Artesia, NM 88210  
Operator Address  
C. O. Jones ATK State 2 M 11 - 16S - 35E Lea  
Lease Well No. Unit Ltr.-Sec-Twp-Rge County  
GRID NO. 025575 Property Code 25027 API NO. 30-025-34752 Federal State X (and/or) Fee

| The following facts are submitted in support of downhole commingling                   | Upper Zone  | Intermediate Zone | Lower Zone                                       |
|--|---|-------------------|--|
| 1. Pool Name and Pool Code   | Townsend Permo Upper Penn 59847                   |                   | Shoebar Strawn, Northwest 56280                  |
| 2. Top and Bottom of Pay Section (Perforations)  | 10,910 - 10,917'                                  |                   | Open hole horizontal lateral 11,412-13,220' (MD) |
| 3. Type of production (Oil or Gas)   | Oil   |                   | Oil  |
| 4. Method of Production (Flowing or Artificial Lift)                                   | Flowing   |                   | Flowing  |
| 5. Bottomhole Pressure   | a. (Current) Not perforated yet                   | a. (Current)      | a. (Current) 3128 psi on 3/7/00                  |
| 6. Zones - Artificial Lift: Estimated Current  | b. (Original) 4444 psi from DST 10,880-10,925'    | b. (Original)     | b. (Original) 3533 psi on 2/10/00                |
| 7. Gas Zones: Estimated or Measured Original   | 45° API   |                   | 45° API  |
| 8. Oil Gravity (EAPI) or Gas BTU Content   | Not perforated yet                                |                   | Producing  |
| 9. Producing or Shut-in?   | No  |                   | No   |
| 10. Production Marginal? (yes or no)   | Date: Estimated Rates: 320 BOPD, 640 MCFD, 0 BWPD | Date: Rates:      | Date: Rates:                                     |
| 11. If Shut-in, give date and oil/gas/water rates of last production                   | Attachment A                                      |                   |  |
| 12. If Producing, give date and oil/gas/water rates of recent test (within 60 days)    | Date: Rates:                                      | Date: Rates:      | Date: 6/9/00 Rates: 426 BOPD, 378 MCFD, 27 BWPD  |
| 13. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%) | Oil: % Gas: % Attachment B                        | Oil: % Gas: %     | Oil: % Gas: % Attachment B                       |

If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
or, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No

Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flow production be recovered, and will the allocation formula be reliable? ☐ Yes ☐ No (If No, attach explanation)  
See Attachment C.

Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of the application. ☒ Yes ☐ No

NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

## ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication. - Attachment D (2 pages)
- Production curve for each zone for at least one year. (If not available, attach explanation.) - Attachment E (2 pages)
- For zones with no production history, estimated production rates and supporting data. - Attachment A (3 pages)
- Data to support allocation method or formula. - Attachment B (1 page)
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

NATURE Albert R. Stall TITLE Operations Engineer DATE 5/15/00

NAME OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174



