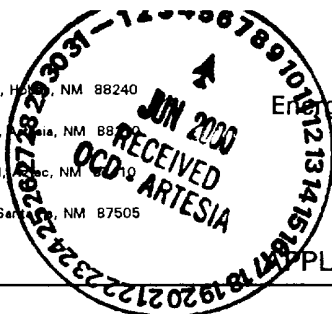


DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Hobbs, NM 88240  
DISTRICT III  
1000 Rio Brazos Rd., Hobbs, NM 88240  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505



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	
Big Flat ASN State	2	P 10 - 16S - 35E	Lea
Lease	Well No.	Unit Ltr.-Sec-Twp-Rge	County
Spacing Unit Lease Types: (check 1 or more)			
OGRID NO.	Property Code	API NO.	Federal State (and/or) Fee
025575	25143	30-025-34792	X

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)	10,884 – 10,894'		11,304-11,321'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a. (Current)	a. (Current) BHP not available FTP 325 psi on 5/9/00
Oil Zones - Artificial Lift: Estimated Current	Not perforated yet		
Gas & Oil - Flowing: Measured Current	b. (Original)	b. (Original)	b. (Original)
All Gas Zones: Estimated or Measured Original	4766 psi from DST 10,879-10,915'		3985 psi on 3/2/00
6. Oil Gravity (EAPI) or Gas BTU Content	44.5° API		45° API
7. Producing or Shut-In?	Not perforated yet		Producing
Production Marginal? (yes or no)	No		No
* If Shut-In, give date and oil/gas/water rates of last production	Date: Estimated Rates: 200 BOPD, 400 MCFD, 0 BWPD	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Attachment A		
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 5/9/00 Rates: 223 BOPD, 550 MCFD, 210 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: % Attachment B	Oil: % Gas: %	Oil: % Gas: % Attachment B

9. 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.
10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes \_\_\_ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes \_\_\_ No
11. Will cross-flow occur? \_\_\_ Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable? \_\_\_ Yes \_\_\_ No (If No, attach explanation)  
See Attachment C.
12. Are all produced fluids from all commingled zones compatible with each other? X Yes \_\_\_ No
13. Will the value of production be decreased by commingling? \_\_\_ Yes X No (If Yes, attach explanation)
14. 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. X Yes \_\_\_ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_
16. 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, date, 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.

SIGNATURE Albert R. Stall TITLE Operations Engineer DATE \_\_\_\_\_

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

**Attachment A**  
**(Page 1 of 3)**

Estimated upper zone (Townsend Upper Permo Penn) production is based on production from other nearby Yates Petroleum Corporation wells producing from this formation. These wells are the Shell Lusk ANB Com #2 and the Brunson AQK State #2. Daily production plots for both wells are attached.