District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 South First Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised May 15, 2000

APPLICATION TYPE
__X__ Single Well
____Establish Pre-Approved Pools
EXISTING WELLBORE
__X__Yes ____No

Yates Petroleum Corporation — Operator
105 South Fourth Street — Address

BLTN AUY State — Lease
1 — Well No.
A 33 16S 35E — Unit Letter-Section-Township-Range
Lea — County

OGRID No. 025575 Property Code 25409 API No. 30-025-34959 Lease Type: ___ Federal __X__ State ____Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesignated Wolfcamp	Shoe Bar Atoka	Undesignated Morrow
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,863'-10,969'	12,454'-12,460'	12,895'-12,904'
Method of Production (Flowing or Artificial Lift)	Flowing	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)	Not Required	Not Required	Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1496 BTU	1222 BTU	1200 BTU
Producing, Shut-In or New Zone	Not Completed Yet	Not Completed Yet	Shut-In
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: Rates: Not Completed Yet (See attachment #1)	Date: Rates: Not Completed Yet (See attachment #1)	Date: 6/19/00 Rates: 254 mcfd, 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 % See Attachment #2	Oil % Gas % See Attachment #2	Oil % Gas % See Attachment #2

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes __X__ 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 __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 Albert R Stall TITLE Operations Engineer DATE 6-27-00

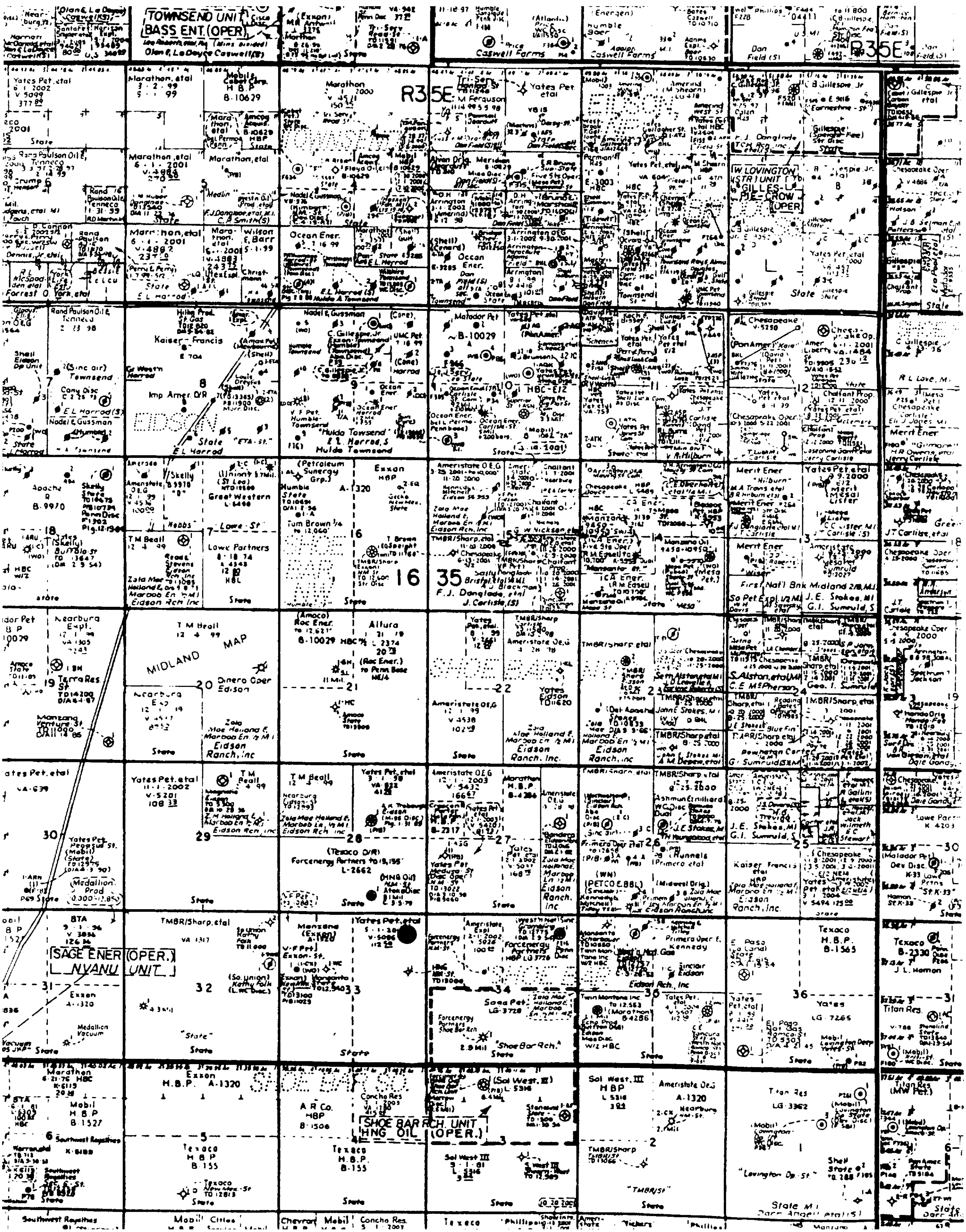
TYPE OR PRINT NAME Albert R. Stall TELEPHONE NO. (505) 748-4174

ATTACHMENTS

BLTN AUY State #1
Unit A Sec. 33-16S-35E

1. The Atoka is expected to produce approximately 1000 mcfd. The Wolfcamp is expected to produce 500 mcfd and bopd. Production estimates are based on well logs review and nearby production. A map showing nearby Atoka and Wolfcamp producers is attached along with production plot for these wells.

2. A fixed percentage allocation formula based on production rates will be submitted for approval after testing is done on the Atoka and Wolfcamp.



TOWNSEND UNIT
BASS ENT. (OPER.)
R35E
Caswell Farms
Marathon
Yates Pet. etal
Kaiser - Francis
Townsend
Eidson
Hulda Townsend
Chesapeake
Ocean Ener.
HBC - EIZ
W LOVINGTON
Great Western
Lowe Partners
T M Beall
Exxon
16
35
F. J. Danglade, etal
J. Carlisle (S)
First Nat'l Bnk Midland
J. E. Stokes, MI
G. I. Sumruld, S
MIDLAND MAP
Terra Res.
Dinero Oper
Altura
Ameristate O.E.G
TMBR/Sharp, etal
Eidson Ranch, Inc.
Zola Mae Holland & Marbob En.
Forcenergy Partners
Kaiser Francis
Eidson Rch., Inc
SAGE ENER. (OPER.)
NVANU UNIT
Medallion Prod
Texaco
H.B.P.
B-1565
Titan Res.
Yates
LG-7265
Shoe Bar Rch.
SHOE BAR RCH. UNIT
HNG OIL (OPER.)
Sol West III
Southwest Royalties
Lovington Dp. St.
State

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-34959		Undesignated Wolfcamp

[4] Property Code	[5] Property Name	[6] Well Number
25409	BLTN AUY State	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
025575	Yates Petroleum Corporation	3983'

[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
A	33	16S	35E		660	North	660	East	Lea

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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

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

Tina Huerta
Signature
Tina Huerta
Printed Name
Operations Technician
Title
6-27-00
Date

[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.

REFER TO ORIGINAL PLAT
Date of Survey
Signature and Seal of Professional Surveyer:

Certificate Number

The Undesignated Wolfcamp pool has not been completed, there will be no production curve for this zone.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
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1000 Rio Brazos Rd., Aztec, NM 87410
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PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-34959		Shoe Bar Atoka

[4] Property Code	[5] Property Name	[6] Well Number
25409	BLTN AUY State	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
025575	Yates Petroleum Corporation	3983'

[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
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[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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16

[17] OPERATOR CERTIFICATION

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

Tina Huerta
Signature
Tina Huerta
Printed Name
Operations Technician
Title
6-27-00
Date

[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.

REFER TO ORIGINAL PLAT
Date of Survey
Signature and Seal of Professional Surveyer:

Certificate Number

The Shoe Bar Atoka pool has not been completed, there will be no production curve for this zone.

The Undesignated Morrow pool is Shut-In, there will be no production curve for this zone.

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

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34959

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. V-5086

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: BLTN AUY State

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER

2. Name of Operator: YATES PETROLEUM CORPORATION

8. Well No. 1

3. Address of Operator: 105 South 4th St., Artesia, NM 88210

9. Pool name or Wildcat: Townsend Mississippian

4. Well Location
Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line

Section 33 Township 16S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3983' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: Spud & conductor			[X]

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)* SEE RULE 1103.

Spudded a 26" hole with rat hole machine at 11:00 AM 4-5-2000. Drilled to 40'. Set 40' of 20" conductor pipe. Cemented to surface. NOTE: Notified Sylvia w/OCD-Hobbs of spud.

TD 40'. Waiting on rotary tools.

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE April 15, 2000

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: