

10-8-04 DATE IN	10-28 SUSPENSE	Stogner ENGINEER	10-13-04 LOGGED IN	NSL TYPE	PSEM04287534 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

2004 OCT 8



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ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

ATTORNEY
Title

10-8-04
Date

wcarr@hollandhart.com
e-mail Address



October 8, 2004

HAND-DELIVERED

Mark E. Fesmire, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Well Location for its Kochia "AAM" State Well No. 1 (API No. 30-025-28905), 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico.*

Dear Mr. Fesmire:

Yates Petroleum Corporation hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on August 12, 1999, of an unorthodox well location for its Kochia "AAM" State Well No. 1 to be re-entered and re-completed in the Mississippian formation, Undesignated Big Dog-Mississippian Gas Pool at an unorthodox well location 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The Kochia AAM Well No. 1 was completed in 1984 at a standard oil well location in the Devonian formation. Yates now seeks approval of this location up hole in the Mississippian formation.

The well will be drilled to a depth sufficient to test the Mississippian formation. This location in the Mississippian formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located no closer than 660 feet to the outer boundary of the dedicated spacing unit. The proposed unorthodox well location is on a stand up unit comprised of the E/2 of the Section and is only 330 feet from the outer boundary of the dedicated spacing unit which it is located.



Attached hereto as **Exhibit A** is a plat of the subject area as required by Rule 104.F (3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units. **Exhibit B** lists parties affected by this application. Pursuant to Rule 104.F(4) of the General Rules of the Division, a copy of this application, including a copy of the plat described above has been sent to these affected parties by certified mail-return receipt requested. The affected parties have been advised that if they have an objection to this application it must be filed in writing within twenty days from the date this notice was sent.

Also enclosed is a proposed order approving this application.

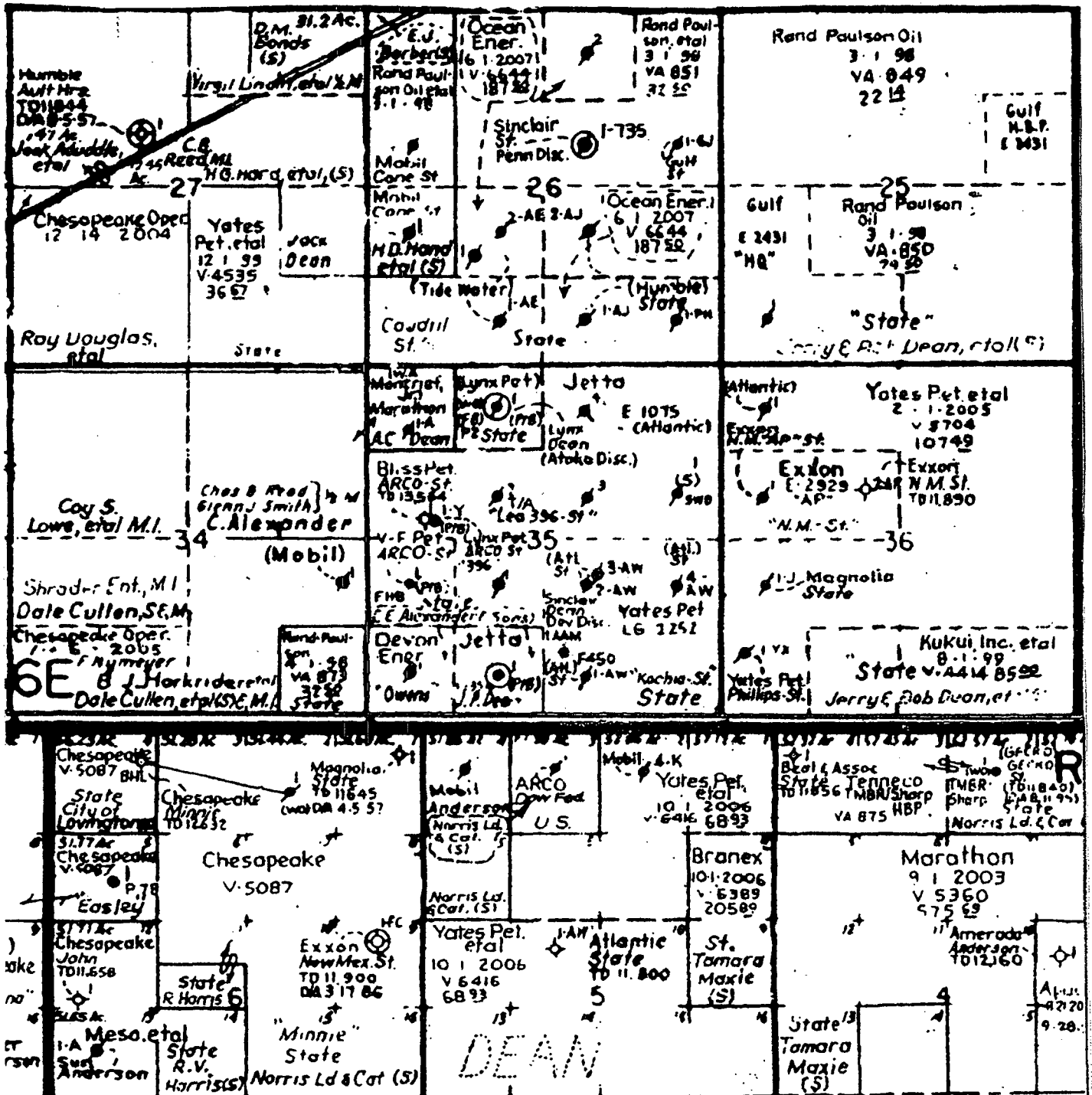
Your attention to this matter is appreciated.

Very truly yours,

WILLIAM F. CARR
Attorney for Yates Petroleum Corporation

cc: Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88201

Lea County, New Mexico



District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28905	² Pool Code	³ Pool Name Big Dog Mississippian
⁴ Property Code 12445	⁵ Property Name Kochia AAM State	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number 1
		⁹ Elevation 3855.1' GR

¹⁰ Surface Location

UL or lot no. O	Section 35	Township 15S	Range 36E	Lot Ida	Feet from the 990	North/South line South	Feet from the 2310	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320									
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

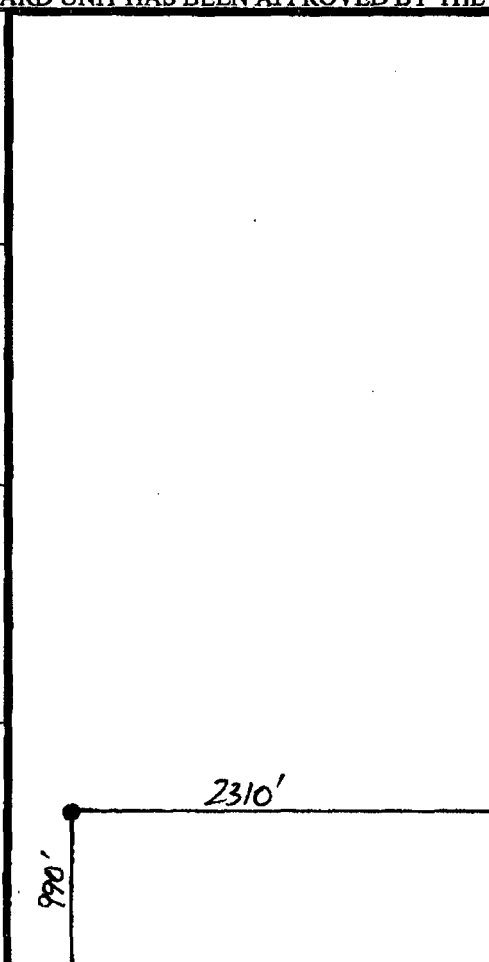
¹⁶			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Stormi Davis</i> Signature
			Stormi Davis Printed Name Regulatory Compliance Supervisor
			Title and E-mail Address Regulatory Compliance Technician
			Date 6-18-04
			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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

EXHIBIT B

AFFECTED PARTIES

Application of Yates Petroleum Corporation for
administrative approval of an unorthodox well location
Kochia "AAM" State Well No.1
990 feet from the South line and 2310 feet from the East line
Section 35, Township 15 South, Range 36 East, NMPM
Lea County, New Mexico

Jetta – X2, LP
Jetta Operating, Inc.
P1-D Ft. Worth Club Tower
Fort Worth, TX 76102-4919

V-F Petroleum Inc.
P.O. Box 1889
Midland, TX 79702

Lynx Petroleum
P.O. Box 1708
Hobbs, NM 88241

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: William F. Carr

Administrative Order NSL-_____

Dear Mr. Carr:

Reference is made to your application dated October 8, 2004 for an unorthodox well location in the Mississippian formation, for the Yates Kochia "AAM" State Well No. 1 (API No. 30-025-28905). Said well was originally drilled to the Devonian formation at a standard oil well location in 1984 and is located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico.

A 320-acre spacing and proration unit in the Mississippian formation comprising the E/4 of said Section 35, is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

Sincerely,

Mark E. Fesmire
Director

cc: New Mexico Oil Conservation Division -Artesia



October 8, 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To AFFECTED INTEREST OWNERS

Re: *Application of Yates Petroleum Corporation., for administrative approval of an unorthodox well location for its Kochia "AAM" State Well No. 1, 990 feet from the South line and 2310 feet from the East line of Section 35, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico.*

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Yates Petroleum Corporation for administrative approval of an unorthodox well location for the re-entry and re-completion of its proposed Kochia "AAM" State Well No. 1, located 990 feet from the South line and 2310 feet from the East line of Section 35, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico in the Mississippian formation, Undesignated Big Dog – Mississippian Gas Pool.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,

William F. Carr
Attorney for Yates Petroleum Company

enc.

cc: Yates Petroleum Corporation