

DATE IN 10/3/03	SUSPENSE N/A	ENGINEER MS	LOGGED IN LR	TYPE NSL	APP NO. PLR0328048175
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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



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.

<u>Robert Bullock</u>	<u>Robert Bullock</u>	<u>Landman</u>	<u>9-30-03</u>
Print or Type Name	Signature	Title	Date
_____ e-mail Address			

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
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RANDY G. PATTERSON
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DENNIS G. KINSEY
TREASURER

September 30, 2003

OCT 3 2003

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

30-025-36223

Attention: Ms. Lori Wrotenberg

Re: Non-Standard Gas Well Location
Big Hat State Unit #3
Township 16 South, Range 33 East
Section 3: 795' FNL & 2281' FEL
Lea County, New Mexico

Dear Ms. Wrotenberg:

Yates Petroleum Corporation is requesting a location exception for the Big Hat State Unit #3, a recently drilled 14,418' exploratory well. The location of this Devonian test was 795' FNL and 2281' FEL of Section 3, Township 16 South, Range 33 East.

This well was originally drilled on a structural high as a Devonian test (see structure map). The Devonian zone was not economic, but due to the timing of the faulting, a lower Atoka Sand crossed this area before uplift. A net sand isopach map of the lower Atoka Sand shows a channel system trending north to south.

The Devonian has a 40-acre proration unit and 330' boundaries, while the Atoka has a 320-acre proration unit and 660' boundaries. The location was orthodox for a 40-acre Devonian test, but unorthodox for 320-acre Atoka well. The well is 359' from the center line of the section instead of the 660' allowed for the Atoka.

An application has been submitted for a lay down 320-acre proration unit. Yates is not encroaching on any other lease holders since this well was drilled in the Yates Big Hat State Exploratory Unit. The Big Hat State Unit was created in June of 2002 and is comprised of a total of 3261.32 acres. The Big Hat #3 well is the second well drilled in the Unit since it was formed.

Yates requests this Administrative Application be approved for all formations developed on 320-acre spacing.

New Mexico Oil Conservation Division
September 30, 2003

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Enclosed are land plat, structural map, Administrative Application Checklist, C-101, and C-102.

Please call me at 505-748-4351 if you need any additional information. Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Robert Bullock", written in a cursive style.

Robert Bullock
Landman

RB/mw

Enclosures

Submit 3 Copies to Appropriate District
Office

DISTRICT I

1625 N. French Dr., Hobbs NM 88240

DISTRICT II

1301 W. Grand, 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 and Natural Resources Department

Form C-105

Revised 1-1-89

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

WELL API NO	30-025-36223
5. Indicate Type of Lease	State ☒ Fee ☐
6. State Oil & Gas Lease No.	VO-5113

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐		7. Lease Name or Unit Agreement Name Big Hat State Unit	
2. Name of Operator Yates Petroleum Corporation		8. Well No. 3	
3. Address of Operator 105 South 4th St., Artesia, NM 88210		9. Pool Name or Wildcat Wildcat Atoka	
4. Well Location Unit Letter <u>B</u> : <u>795</u> Feet From The <u>North</u> Line and <u>2281</u> Feet From The <u>East</u> Line <u>3</u> Section <u>16S</u> Township <u>33E</u> Range <u>NMPM</u> Lea <u></u> County <u></u>			
10. Date Spudded 3/22/03 RH 3/25/03 RT	11. Date T.D. Reached 6/25/03	12. Date Completed (Ready to Prod) 8/6/03	13. Elevations (DF & RKB, RT, GR, etc.) 4219' GR, 4241' KB
15. Total Depth 14437'	16. Plug Back T.D. 14370'	17. If Multiple Compl. How Many Zones? NA	18. Intervals Drilled by Rotary Tools 40-14437'
19. Producing Interval (s), of this completion - Top, Bottom, Name 12623-12633' Atoka			20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run CNL/BCS/Laterlog/Perforating Record/GR-CCL			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"	Conductor	40'			
13-3/8"	48#	428'	17-1/2"	550 sx (circ)	
9-5/8"	36#, 40#	6055'	12-1/4"	3200 sx (circ)	
7"	26#, 29#	14427'	8-3/4"	1875 sx	TOC @ 7888' (CBL)

LINER RECORD

TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	12400'	12400'

26. PERFORATION RECORD (INTERVAL, SIZE, AND NUMBER) 12623-12633' (6 JSPF) w/60 - .42" holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	12623-33'	1000 gal 15% NEFE 80 balls

PRODUCTION

Date First Production 8/7/03	Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. Or Shut-in) Producing		
Date of Test 9/10/03	Hours Tested 24	Choke Size 12/64"	Prod'n for Test Period	Oil - Bbl 50	Gas-MCF 205	Water -Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 750	Casing Pressure 1500	Calculated 24-Hour Rate	Oil- Bbl 50	Gas-MCF 205	Water -Bbl 0	Oil Gravity - API	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Will be sold	Test Witnessed By Jeremy Fitzer
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30. List Attachments Logs, DV Report, Directional Survey

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief			
Signature <u>Stormi Davis</u>	Printed Name <u>Stormi Davis</u>	Title <u>Regulatory Compliance Technician</u>	Date <u>9/30/03</u>

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand, 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.

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36223	² Pool Code	³ Pool Name Wildcat Atoka
⁴ Property Code 29794	⁵ Property Name Big Hat State Unit	⁶ Well Number 3
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4219'

¹⁰ Surface Location

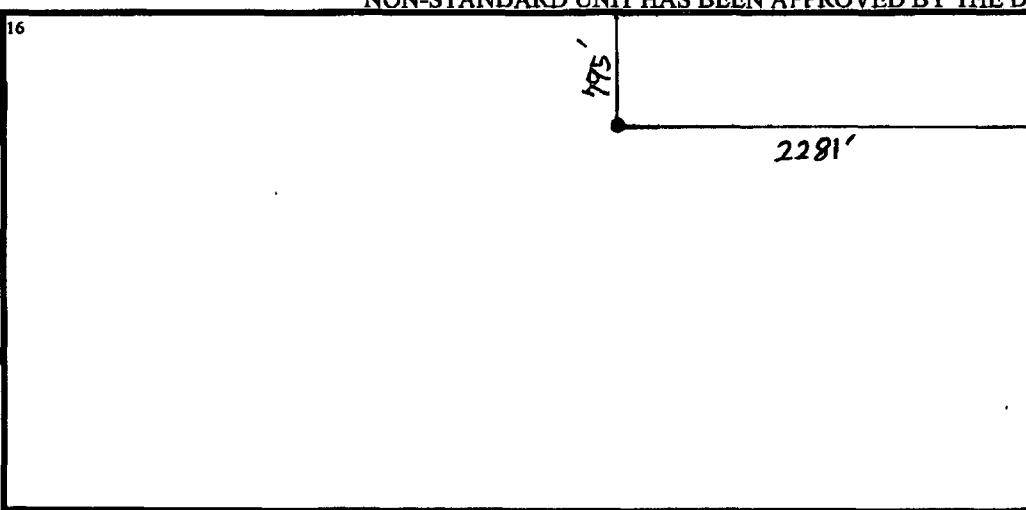
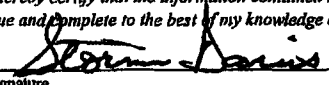
UL or lot no. B	Section 3	Township 16S	Range 33E	Lot Idn	Feet from the 795	North/South line North	Feet from the 2281	East/West line East	County Lea
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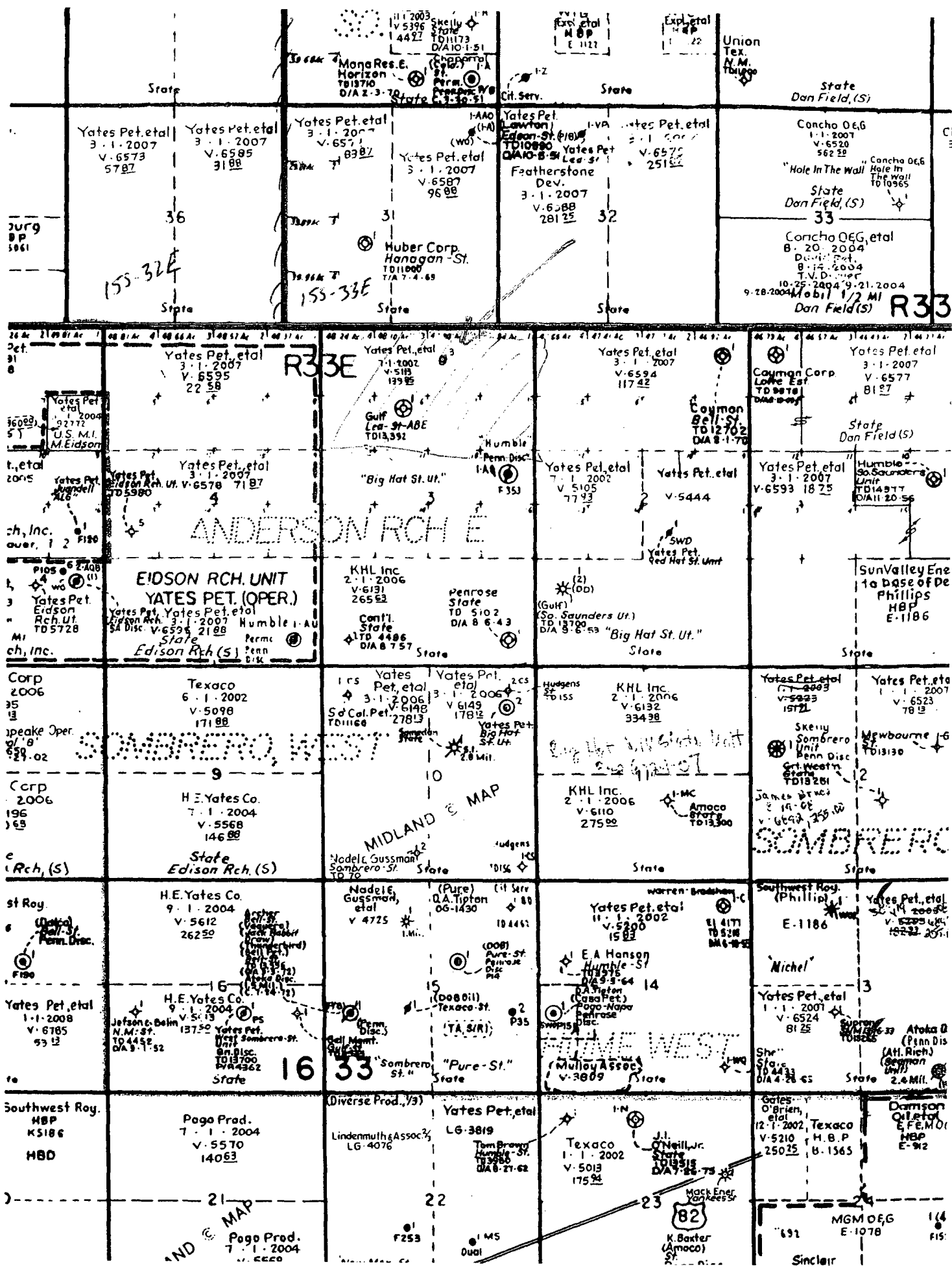
¹¹ Bottom Hole Location If Different From Surface

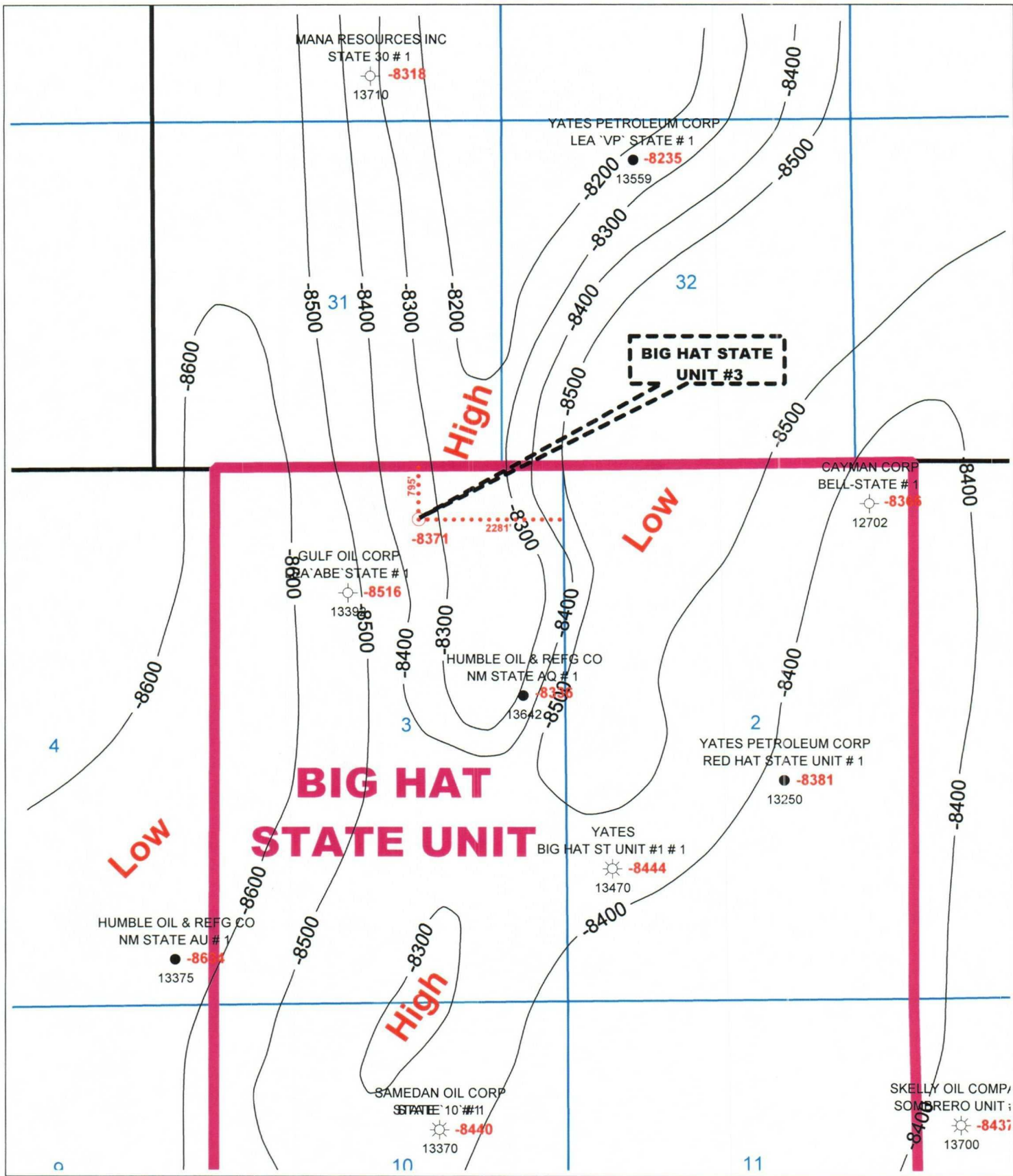
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE 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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Stormi Davis Printed Name Regulatory Compliance Technician Title Date 9-15-03	
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: See Original Plat Certificate Number	





YATES PETROLEUM CORPORATION		
BIG HAT #3 UNORTHODOX LOCATION STRUCTURE MAP T/LOWER ATOKA SAND LEA COUNTY, NM		
Author: J. AMIET		Date: 26 September, 2003
	Scale: 1" = 2000'	