

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF
A NON-STANDARD OIL SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO**

Case No. 14777

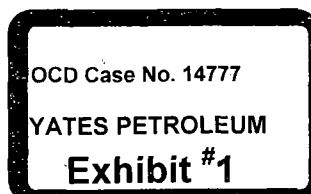
AFFIDAVIT OF KEVIN KLEIN

COUNTY OF EDDY)
)ss.
STATE OF NEW MEXICO)

1. I am a landman for applicant Yates Petroleum Corporation ("Yates"). I have personal knowledge of the matters stated herein.

2. Yates' application seeks an order approving an 80-acre non-standard oil spacing and proration unit ("80-acre unit") in the Salt Lake-Delaware formation in the SE/4 NW/4 and NE/4 SW/4 of Section 14, Township 20 South, Range 32 East, NMPM, in Lea County. A C-102 Well Location and Acreage Dedication Plat identifying the proposed 80-acre unit is attached hereto as Exhibit A.

3. The proposed 80-acre unit is to be dedicated to the Belco "AIA" Federal No. 6 well, a directional well to be drilled at a surface location 2,010 feet from the South line and 2,010 feet from the East line, with a terminus location 1,980 feet from the South line and 1,980 feet from the West line.



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Bravos 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-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 53565	Pool Name Salt Lake Delaware
Property Code	Property Name BELCO "AIA" FEDERAL	Well Number 6
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3529'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	20 S	32 E		2010	SOUTH	2010	EAST	LEA

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
K	14	20 S	32 E		1980	SOUTH	1980	WEST	LEA
Dedicated Acres 80	Joint or Infill	Consolidation Code	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

<p>PROPOSED BOTTOM HOLE LOCATION Lot - N 32°34'17.17" Long - W 103°44'20.89" NMSPC- N 572108.472 E 724410.443 (NAD-83)</p> <p>SURFACE LOCATION Lot - N 32°34'17.45" Long - W 103°44'05.87" NMSPC- N 572142.478 E 725695.727 (NAD-83)</p> <p>NM-63016</p> <p>1980' 1285.8' 3525.3' 3527.1' 3529.1' 3529.2' 2010'</p> <p>1980' 2010'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><i>Clifton May</i> 9/15/11 Signature Date</p> <p>Clifton May Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date Surveyed Signature & Seal of Professional Surveyor 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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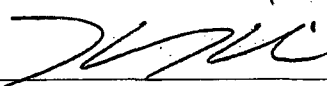
Exhibit A

4. The following lists the entities that own working interests in the proposed 80-acre unit and the percentages of the interests they hold:

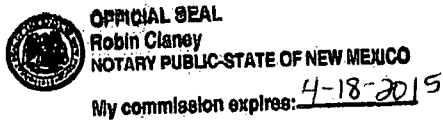
Yates	10%
Albo Petroleum Corporation	30%
Myco Industries, Inc.	30%
Oxy Y-1	30%

5. All of these interests have joined in the Belco "AIA" Federal No. 6 well pursuant to a Joint Operating Agreement ("JOA"). Under the JOA, Yates will operate the well.

6. Before I submitted Yates' application, I determined where there are any offset operators and/or interest owners in the 40-acre units offsetting the proposed 80-acre unit, other than Yates, who would be entitled to receive notice of the application. There are none.


Kevin Klein

SUBSCRIBED AND SWORN TO before me on this 14th day of February, 2012 by Kevin Klein.




Notary Public

My Commission Expires:

4-18-2015