

DATE IN 6-1-04	SUSPENSE 6-21-04	ENGINEER Stagner	LOGGED IN 6-8-04	TYPE NSP	APP NO. DSEM0416531518
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RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

JUN 01 2004 NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 OIL CONSERVATION DIVISION 1220 South St. Francis Drive, Santa Fe, NM 87505



*Varbrough Oil & Gas*

**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 \_\_\_\_\_

*see also  
Case 13277  
and  
NSP-1871*

- [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.

Eddie W. Seay      Eddie W. Seay      Agent      5/28/04  
 Print or Type Name      Signature      Title      Date  
seay 04 @ leaco . net  
 e-mail Address

May 28, 2004

NMOCD Engineering  
ATTN: Michael Stogner  
Box 6429  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RE: Yarbrough Oil Company LP  
Jalmat Gas  
Steeler #8

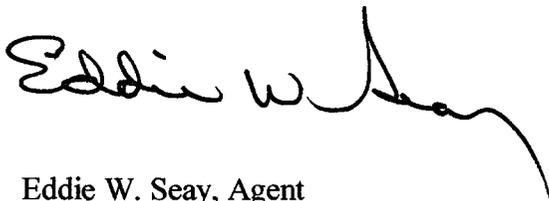
Mr. Stogner:

Yarbrough Oil Co. is seeking approval to re-enter its Steeler #8 located in Section 17, Township 23 S., Range 37 E., Lea Co., and re-complete to a Jalmat Yates Gas Producer.

Find within the original application with the attached notices.

If you have any questions, please call.

Thanks,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Yarbrough Oil LP C/O Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240		<sup>2</sup> OGRID Number 025504
		<sup>3</sup> API Number 30 - 025-10790
<sup>3</sup> Property Code 016406	<sup>5</sup> Property Name E. L. Steeler	<sup>6</sup> Well No. 8

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	23S	37E		1980	North	1980	East	Lea

<sup>8</sup> Proposed 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
G	17	23S	37E		1980	North	1980	East	Lea
<sup>9</sup> Proposed Pool 1 Jalmat Gas					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary Workover Unit	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3333 DF
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 2500'-2900'	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor Halliburton	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
		See	Original	Completion	

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data of the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.  
RU & install BOP. Set CIBP @ 3300'. Run Temp. Survey & Neutronlog. Perf. Yates 2650'-2890', 28 holes, 2shots p/s Acid w/2000 gals 10% w/balls & Flush w/500 gals 2% KCL wtr & frac.

**RECEIVED**

MAR 29 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Gaye Heard</i>	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: Gaye Heard	Title:	
Title: Agent	Approval Date:	Expiration Date:
E-mail Address: gheard@oilreportsinc.com		
Date: 3/24/04	Phone: 505/393-2727	Conditions of Approval: Attached <input type="checkbox"/>

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**

<sup>1</sup> API Number 30-025-10790		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Jalmat Gas	
<sup>4</sup> Property Code 016406		<sup>5</sup> Property Name E. L. Steeler			<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 025504		<sup>8</sup> Operator Name Yarbrough Oil LP			<sup>9</sup> Elevation 3333 DF

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	23S	37E		1980	North	1980	East	Lea

<sup>11</sup> 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
G	17	23S	37E		1980	North	1980	East	Lea

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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>16</p>	<p><b>RECEIVED</b></p> <p>MAR 29 2004</p> <p>Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jose Heard</i> Signature</p> <p>Gave Heard Printed Name</p> <p>Agent gheard@oilreportsinc.com</p> <p>Title and E-mail Address</p> <p>3/24/04 Date</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> 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 of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

May 18, 2004

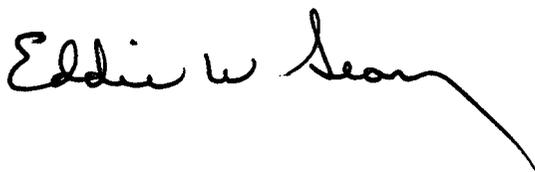
RE: Yarborough Oil  
Jalmat Gas Well Application

Dear Sir:

Pursuant to Rule 4 and the Oil Conservation Division, Yarborough Oil, LP is filing application for a non-standard 160 acre Jalmat Gas Well. The E. L. Steeler #8 is located in Unit G, Section 17, Township 23 South, Range 37 East, Lea Co., NM.

Within are copies of information pertaining to the application. Any questions about the application can be addressed to Eddie W. Seay, agent, at (505)392-2236. Any protest or exceptions to the application should file notice with the New Mexico Oil Conservation Division, Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM, 87504, within twenty (20) days.

Sincerely,

A handwritten signature in cursive script that reads "Eddie W. Seay". The signature is written in black ink and has a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent  
(505)392-2236

## OFFSET OPERATORS OR MINERAL OWNERS

Wildcat Energy, LLC ✓  
Box 13323  
Odessa, TX 79768

L.B. Burleson, Inc. ✓  
Box 2479  
Midland, TX 79702

Breck Operating  
Box 4250  
5201 Leisure Dr.  
Midland, TX 79704

BLM  
U.S. Minerals  
620 E. Green St.  
Carlsbad, NM 88220

Saga Petroleum  
415 W. Wall, Ste. 1900  
Midland, TX 79701

State Land Office ✓  
Mineral Division  
310 Old Santa Fe Trail  
Box 1148  
Santa Fe, NM 87504-1148



U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1307 9957

**OFFICIAL USE**  
 SANTA FE, NM 87504-1148

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 State Land Office, Mineral Division  
 Street, Apt. No.; or PO Box No.  
 310 Old Santa Fe Trail, Box 1148  
 City, State, ZIP+4  
 SANTA FE, NM 87504-1148  
 PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1307 9964

**OFFICIAL USE**  
 MIDLAND, TX 79701

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 SAGA Petroleum  
 Street, Apt. No.; or PO Box No.  
 2200 W. Wall Ste 1900  
 City, State, ZIP+4  
 Midland TX 79701  
 PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1307 9986

**OFFICIAL USE**  
 MIDLAND, TX 79704

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 Breek Operating  
 Street, Apt. No.; or PO Box No.  
 Box 4250, 5201 Leisure Dr.  
 City, State, ZIP+4  
 Midland TX 79704  
 PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1307 9971

**OFFICIAL USE**  
 CARLSBAD, NM 88220

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 BLM, U.S. Minerals  
 Street, Apt. No.; or PO Box No.  
 1220 E. Green St.  
 City, State, ZIP+4  
 CARLSBAD, NM 88220  
 PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1307 9995

**OFFICIAL USE**  
 MIDLAND, TX 79702

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 L. O. Burleson, Inc.  
 Street, Apt. No.; or PO Box No.  
 Box 2479  
 City, State, ZIP+4  
 Midland TX 79702  
 PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1940 0003 1308 0007

**OFFICIAL USE**  
 ODessa, TX 79768

Postage	\$ 0.37	UNIT ID: 0640	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.42		

Sent To  
 Wildcat Energy, LLC  
 Street, Apt. No.; or PO Box No.  
 Box 13323  
 City, State, ZIP+4  
 Odessa TX 79768  
 PS Form 3800, January 2001 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

**COMPLETE THIS SECTION ON DELIVERY**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Wildcat Energy, LLC  
 Box 13323  
 Odessa, TX 79768

A. Signature

X *R.L. Becker*

- Agent  
 Addressee

B. Received by (Printed Name)

R.L. Becker

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Num (Transfer fr)

7001 1940 0003 1308 0007

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**SENDER: COMPLETE THIS SECTION**

**COMPLETE THIS SECTION ON DELIVERY**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

State Land Office  
 Mineral Division  
 310 Old Santa Fe Trail  
 Box 1148  
 Santa Fe, NM 87504-1148

A. Signature

X *[Signature]*

- Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Num (Transfer fr)

7001 1940 0003 1307 9957

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**SENDER: COMPLETE THIS SECTION**

**COMPLETE THIS SECTION ON DELIVERY**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

L.B. Burleson, Inc.  
 Box 2479  
 Midland, TX 79702

A. Signature

X *Julie Truitt*

- Agent  
 Addressee

B. Received by (Printed Name)

Julie Truitt

C. Date of Delivery

5-20-04

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Num (Transfer fr)

7001 1940 0003 1307 9995

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM  
 U.S. Minerals  
 620 E. Green St.  
 Carlsbad, NM 88220

2. Article Num (Transfer fr) 7001 1940 0003 1307 9971

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Ina Able*  
 B. Received by (Printed Name)  Addressee  
 INA ABLE  
 C. Date of Delivery 5-19  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SAGA Petroleum  
 415 W. Wall, Ste. 1900  
 Midland, TX 79701

2. Article N (Transfer) 7001 1940 0003 1307 9964

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Alma E. Alvarado*  
 B. Received by (Printed Name)  Addressee  
 Alma E. Alvarado  
 C. Date of Delivery 5-25-04  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No  
 203 W. Wall # 810

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Breck Operating  
 Box 4250  
 5201 Leisure Dr.  
 Midland, TX 79704

2. Article N (Transfer) 7001 1940 0003 1307 9988

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Alma E. Alvarado*  
 B. Received by (Printed Name)  Addressee  
 Alma E. Alvarado  
 C. Date of Delivery 5/24/04  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

RECEIVED

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

JUN 09 2004

**Lori Wrotenbery**  
Director  
Oil Conservation Division

OIL CONSERVATION  
DIVISION

Oil Conservation Division  
1220 S. Francis Drive  
Santa Fe, NM 87505

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_
- NSL \_\_\_\_\_
- NSP \_\_\_\_\_ *X*
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

*Yarbrough Oil Co Steeler #8-G, 17-23s-37e*  
 Operator Lease & Well No. Unit S-T-R API # 30-025-10790

and my recommendations are as follows:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
*OK Kz*

Yours very truly,

*Chris Williams*  
 Chris Williams  
 Supervisor, District 1