

Stogner, Michael

(see McKay. 06)

From: Stogner, Michael
Sent: Friday, April 22, 2005 12:07 PM
To: April McKay (E-mail)
Subject: Samantha "B" Federal #1

RE: pSEM0-509729980
McKay Oil Corporation's proposed Samantha "B" Federal Well No. to be drilled 660' FSL & 2080' FEL (O) Sec. 31-T5S-R22E, Chaves County.

DATE: April 22, 2005

I received your letter of application for the Samantha "B" Fed. #1 to be drilled at a "Non Standard Location." From what little information you provided, it would appear this application can be processed administratively; however, as submitted - it is incomplete and is therefore **denied**.

- (1) You did not say what formation this well is unorthodox for or its intended spacing unit;
- (2) You say that a Texas/NM pipeline ran directly through the original pad for the proposed well being 660' FSL & 1980' FEL and that a move further south would be too close to the Section line; why then couldn't the well be moved north and/or east and not towards the east/west quarter section line?
- (3) If you do not choose to move the well to a standard location and plan to reapply, please submit land plats, topographic maps, and a schematic of the pipeline as it traverses through Sec. 31 and any other topographic features precluding McKay from relocating to a standard location.

I will keep your application on file and will supplemental any subsequent re-filing, if you so choose.

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.**

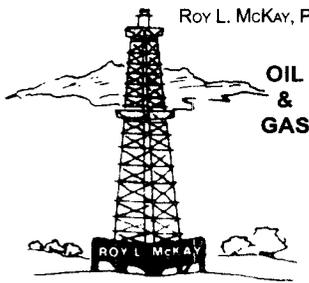
[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are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

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

Print or Type Name _____ Signature _____ Title _____ Date _____

 e-mail Address

McKay Oil Corporation



ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505 / 624 - 2202

RECEIVED

APR 05 2005

OIL CONSERVATION
DIVISION

March 30, 2004

Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
Mr. Michael Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Samantha B Federal #1 Non Standard Location

Mr. Stogner:

McKay Oil Corporation requests to be placed on the hearing docket for the next available hearing after publication of McKay's request for approval for the following non-standard location:

The names and justification for the non-standard location is as follows:

SAMANTHA B FEDERAL #1 is located at 660' FSL & 2080' FEL in Section 31, T5S, R22E. The location was originally staked at 660' FSL & 1980' FEL. This well location has been placed in this new location due to 2 constraints. The first constraint is that a Texas/New Mexico pipeline ran directly through the original pad. Secondly is if we moved it to the South it would be too close to the section line.

In regards to Sec 31, McKay Oil Corporation has 100% operating rights

In T6S, R22E

Sec 1 N/2

McKay Oil Corporation has 100% operating rights

In T5S, R22E

Sec 32 SW/4

McKay Oil Corporation has 100% operating rights

In T5S, R21E

Sec 36

Yates Petroleum Corporation has 100% operating rights

In T6S, R22E

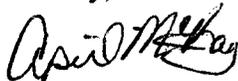
Sec 2

Yates Petroleum Corporation has 100% operating rights

In any event, McKay Oil Corporation, McKay Petroleum Corporation hereby give it's approval for said unorthodox location. Also, please see attached response from Yates Petroleum Corporation regarding Sec 36, T5S, R21E.

Should this information be sufficient, please administratively approve NSL for the Samantha B Federal #1.

Sincerely,

A handwritten signature in black ink, appearing to read "April McKay". The signature is written in a cursive style with a large initial "A" and a long, sweeping underline.

April McKay
Vice President

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
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

March 18, 2005

April McKay
McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202-2014

Re: Samantha B Federal #1
Sec 31, T5S, R22E
660' FSL & 2080' FEL
Chaves County, New Mexico

Dear April:

Please find enclosed your original letter executed by Yates Petroleum Corporation showing no objection to the non-standard location on the above captioned well. If we can be of any further assistance please let us know.

Very truly yours,

YATES PETROLEUM CORPORATION

Tamala J. Verdugo
Land Assistant

/tv
Enclosure

RECEIVED

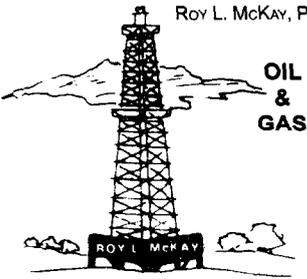
MAR 17 2005

McKay Oil Corporation

MAIL ROOM

Roy L. McKay, PRESIDENT

MAILING ADDRESS: P.O. Box 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX No. 505 / 624 - 2202



March 16, 2005

Kathy Porter
Yates Petroleum Corporation
105 S 4th St
Artesia, NM 88210

RE: Samantha B Federal #1
Sec 31, T5S, R22E
660' FSL & 2080' FEL
Chaves County, NM

Mrs. Porter:

McKay Oil Corporation requests a non standard location for the Samantha B Federal #1 located in Section 31, T5S, R22E, 660' FSL & 2080' FEL in Chaves County. Yates owns Sec 36, T5S, R21E. Yates also owns Sec 2, T6S, R22E. Should you not object to this location, please execute and fax back to McKay Oil Corporation at 505-624-2202 as soon as possible. Should you have any questions, please do not hesitate to call.

Yates Petroleum has no objections to this location.

Yates Petroleum Corporation
BY:

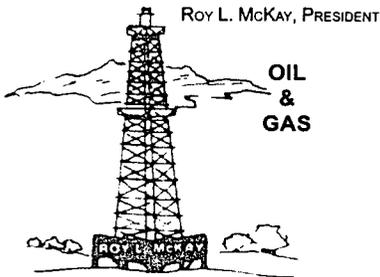
March 17, 2005
Date

Sincerely,

April McKay
Vice President

McKay Oil Corporation

COPY



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March 30, 2004

Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
Mr. Michael Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505

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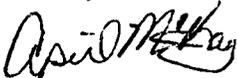
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March 18, 2005

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Tamala J. Verdugo
Land Assistant

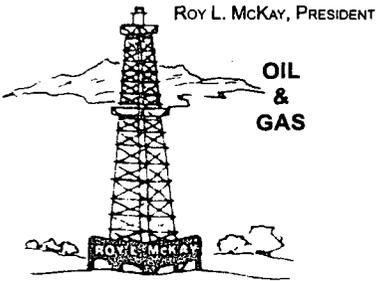
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McKay Oil Corporation

MAIL ROOM



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March 16, 2005

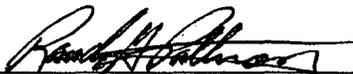
Kathy Porter
Yates Petroleum Corporation
105 S 4th St
Artesia, NM 88210

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Chaves County, NM

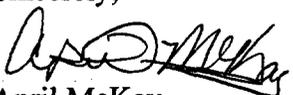
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BY:

March 17, 2005
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Vice President

