

DATE 6/12/03	SUSPENSE NA	ENGINEER MS	LOGGED IN KN	TYPE NSL	PKRVO316350096
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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]

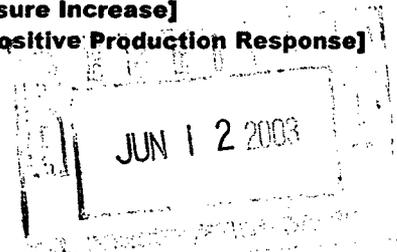
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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.

Robert Bullock
 Print or Type Name

Robert Bullock
 Signature

Landman
 Title

6-6-03
 Date

 e-mail Address

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



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
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SECRETARY
DENNIS G. KINSEY
TREASURER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1477
RECEIVED

June 9, 2003

JUN 12 2003

OIL CONSERVATION
DIVISION

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87508

CERTIFIED MAIL
Return Receipt Requested

RE: Non-Standard Location
Global BBG #2
Township 16 South, Range 35 East
Section 12: 1675' FSL & 1,430' FWL
Lea County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for its Global BBG #2 well to be drilled at the captioned location, designated to the Big Dog Strawn South Pool. A standard 80-acre spacing and proration unit being the E2SW4 of Section 12 will be dedicated to the well.

This location in the Strawn formation is unorthodox because the Big Dog Strawn South Pool rules which provide for wells on 80-acre spacing units to be located no closer than 330 feet to any outer boundary line. The proposed non-standard well location is only 110 feet from the western boundary of the dedicated spacing unit and therefore 220 feet too close to this boundary line.

The reason for the location exception is geologic. The Yates mapping and the history of recently drilled wells indicate that the Strawn production is very erratic. Two exhibits have been prepared to emphasize this point. The Strawn seismic attribute map shows the more productive intervals in green and the less productive (or dry holes) in red. The IP for the Runnels #5 well (drilled in April 2002) was 442 BO and 926 MCF. This well was drilled in the green color on the seismic attribute map. The Global #1 well was recently drilled and tested in the Strawn in June of 2003 for 370 BO and 1639 MCF. This location was also picked in the green attribute from this seismic map. The Burns well is located between the two great Strawn wells mentioned above, and had no production from the Strawn. The Seismic map shows this well in a poor area for the Strawn. Cross section A-A' shows the logs from these three wells and shows there is no pay in the Burns well.

The proposed location for the Global #2 was chosen from this same seismic map. Also a factor in picking the location was an attempt to stay as far away from the Global #1 as possible so the two (2) wells would not interfere with each other.

Page 2
Global BBG #2

The Global BBG #1 is currently being completed as a Strawn oil well at a location 660' FSL and 400' FWL in Section 12 and the acreage dedication will be the W2SW4 which is the spacing unit that is being encroached upon.

However the working interest owners and the royalty owners in both these wells (Global BBG #1 and #2) and spacing units are the same. All the working interest owners that participated in the Global BBG #1 have agreed to participate in the drilling the Global BBG #2. Therefore, no notice of this application has been given to any party as all the concerned parties have signed the AFE proposal to drill the Global BBG #2 well.

Enclosed with this application are the Administrative Application checklist, land plat, C-101, C-102, Strawn Seismic Attribute Map and Structural Cross Section A-A'.

Your attention to this application is appreciated.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script that reads "Robert Bullock".

Robert Bullock
Landman

RB:bn
enclosure(s)

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address Yates Petroleum Corporation 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number
Property Code	Property Name Global BBG	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	12	16S	35E		1675	S	1430	W	Lea

Proposed Pools

BIG DOG; STRAWN, SOUTH 96690

Work Type New Well	Well Type Oil	Cable/Rotary	Lease Type Private	Ground Level Elevation 3970
Multiple N	Proposed Depth 11600	Formation Strawn	Contractor	Spud Date 5/20/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	450	550	0
Int1	11	8.625	32	4750	1450	0
Prod	7.875	5.5	15.5	11600	1600	4250

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Strawn/intermediate formations. Approximately 450 ft. of surface casing will be set/cemented. Intermediate casing will be set at 4750 and cement circulated to surface. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-450 ft. FW Gel/Paper; 450-1940 ft. FW; 1940-4750 ft. Cut Brine; 4750-11300 Cut Brine; 11300-11600 SW Gel/Starch.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: **Robert Asher**

Title: **Regulatory Technician**

Date: **5/19/2003** Phone: **505-748-4364**

OIL CONSERVATION DIVISION

Electronically Approved By:

Title:

Approval Date: Expiration Date:

Conditions of Approval:
No Conditions

District I

1625 N. French Dr., Hobbs, NM 88240

District II

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District III

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District IV

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Name BIG DOG;STRAWN, SOUTH	Pool Code 96690
Property Code	Property Name Global BBG	Well No. 002
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3970

Surface And Bottom Hole Location

UL or Lot K	Section 12	Township 16S	Range 35E	Lot Idn	Feet From 1675	N/S Line S	Feet From 1430	E/W Line W	County Lea
Dedicated Acres 80		Joint or Infill		Consolidation Code		Order No.			

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OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Robert Asher

Title: Regulatory Technician

Date: 5/19/2003

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.

Electronically Signed By: Herschel L. Jones

Date of Survey: 5/9/2003

Certificate Number: 3640

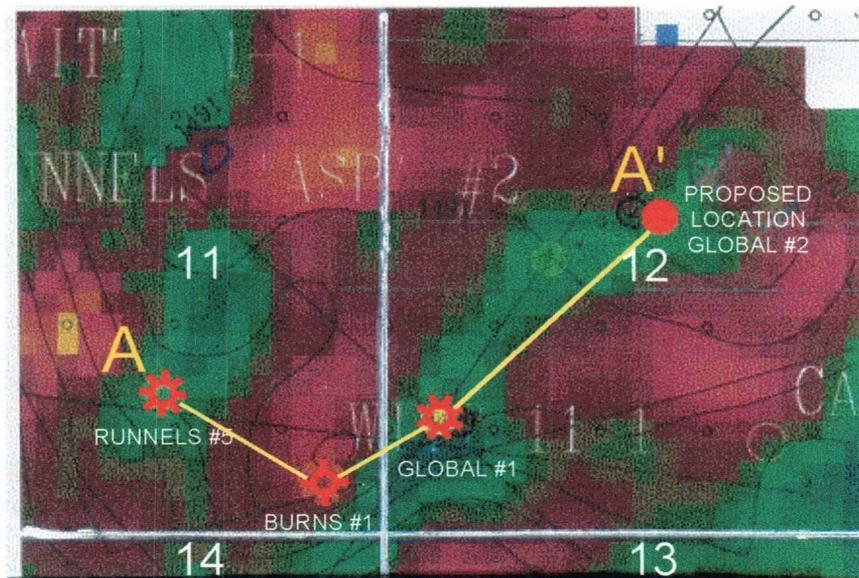
APD Comments

Operator: 25575 Yates Petroleum Corporation

Well: Global BBG 002

User Name	Comment	Comment Date
YATESPETROLEUM	Unorthodox Location Approval is being applied for by Administrative Approval.	5/19/2003

STRAWN SEISMIC ATTRIBUTE MAP



		
STRAWN SEISMIC ATTRIBUTE MAP LEA COUNTY, NM 16S-35E		
Author : Frank Scheubel John Amiet	Scale : 1"=1000'	Date : 5 June, 2003