

DATE IN 4/2/98	SUSPENSE 4/22/98	ENGINEER MS	LOGGED BY [Signature]	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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 - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [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

RECEIVED

APR 2 1998

Oil Conservation Division

[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] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

William F. Carr
Print or Type Name

Signature

Attorney
Title

Date

4/2/98

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& SHERIDAN, P.A.
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April 2, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

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Oil Conservation Division

Re: *Application of Yates Petroleum Corporation for Administrative Approval of an Unorthodox Well Location for its Loco "ASI" Federal Com Well No. 1, 1650 feet from the South line and 1200 feet from the West line of Section 10, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico*

Dear Ms. Wrotenbery:

Yates Petroleum Corporation hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox well location in the Morrow formation, North Turkey Track-Morrow Gas Pool, for its Loco "ASI" Federal Com Well No. 1 to be drilled 1650 feet from the South line and 1200 feet from the West line of Section 10, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. The W/2 of Section 10 will be dedicated to the well.

This location in the Morrow formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located no closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1650 feet to the nearest end boundary *now?*

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
April 2, 1998
Page 2

Attached hereto as Exhibit A is a Morrow Net Sand Isopach Map which shows the proposed unorthodox well location is necessary to enable Yates to locate this well in the thickest portion of the Morrow channel under the West half of said Section 10.

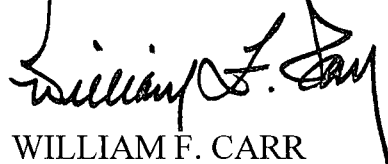
Attached hereto as Exhibit B is a plat as required by Rule 104 F (3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

Since the proposed unorthodox well location is only unorthodox by encroaching on an internal quarter-quarter section line, Yates Petroleum Corporation is the designated operator of all the immediately adjoining and diagonal spacing units in the Morrow formation toward which the unorthodox well location encroaches. Accordingly, there are no affected parties to whom notification of this application should be provided.

Also enclosed is a proposed order approving this application.

Your attention to this matter is appreciated.

Very truly yours,



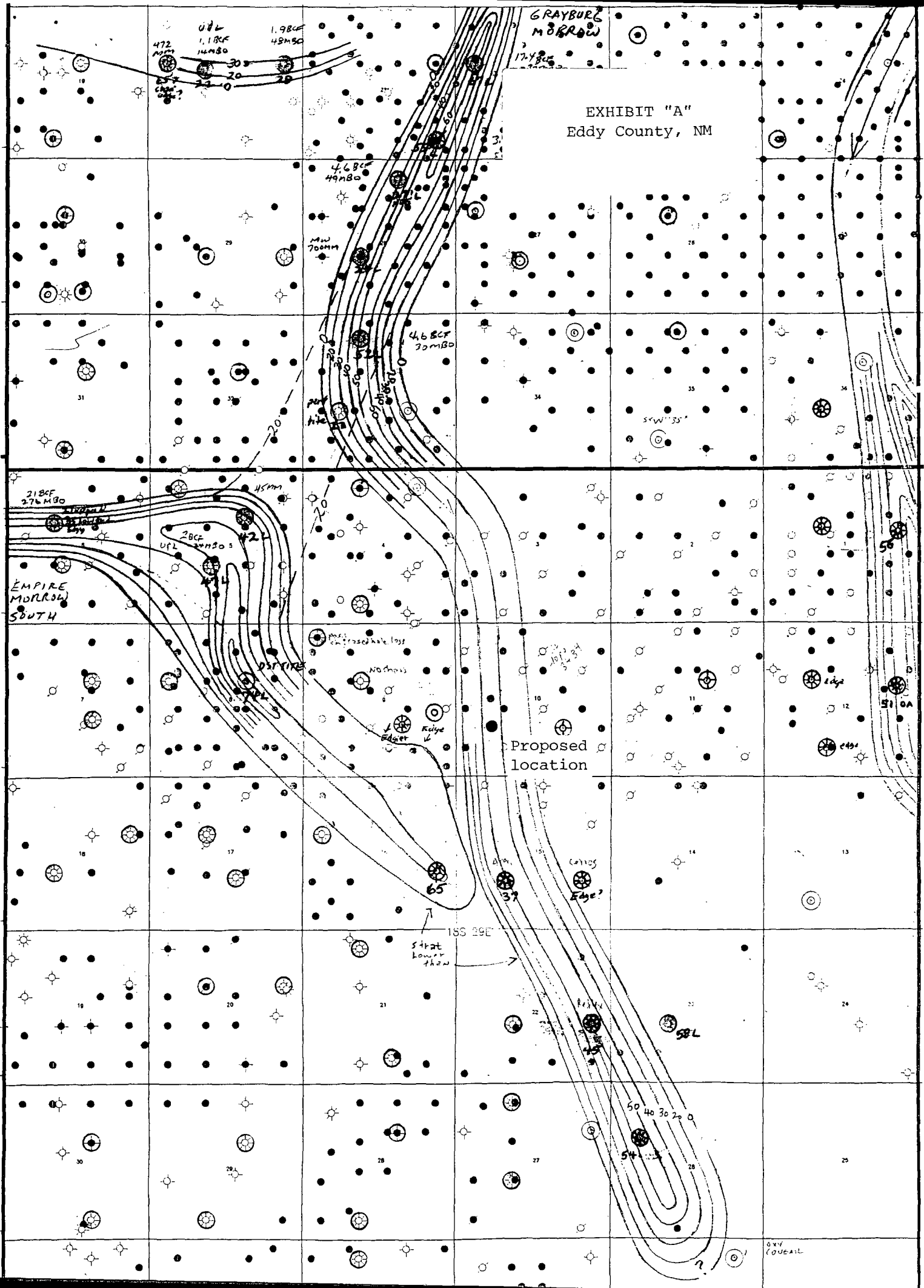
WILLIAM F. CARR
Attorney for Yates Petroleum Corporation

Enclosures

cc: Mr. Douglas W. Hurlbut
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88201

GRAYBULL
MORROW

EXHIBIT "A"
Eddy County, NM



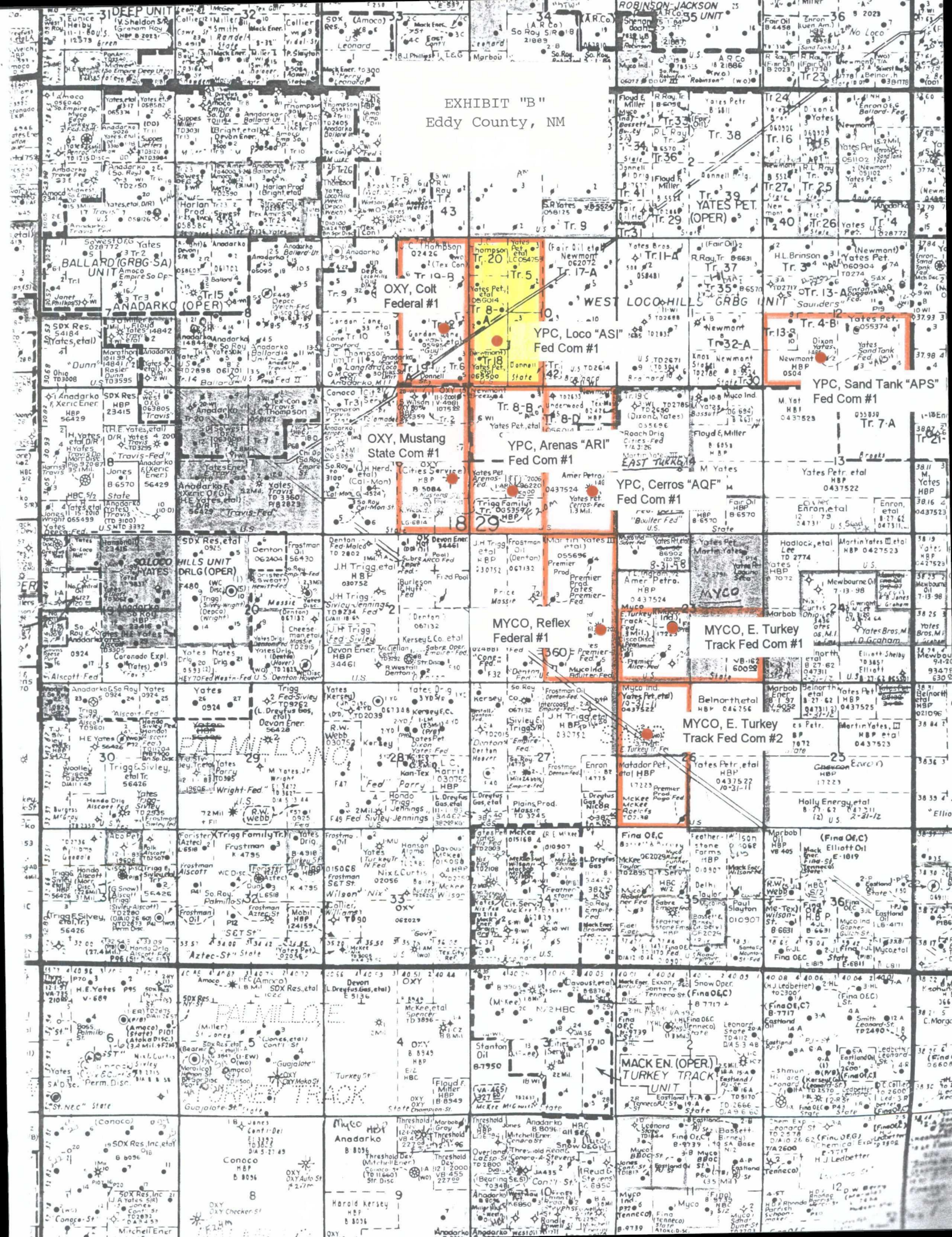
EMPIRE
MORROW
SOUTH

Proposed
location

185 295
Start
Lower
than

600
OUTLINE

Eddy County, NM



Date

DRAFT ADMINISTRATIVE ORDER

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Douglas W. Hurlbut

Administrative Order NSL-____

Dear Mr. Hurlbut:

Reference is made to your application dated April 2, 1998 for an unorthodox well location for the Loco "ASI" Federal Com Well No. 1, 1650 feet from the South line and 1200 feet from the West line of Section 10, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. This well was originally drilled to the North Turkey Track-Morrow Gas Pool, to a depth sufficient to test the Morrow formation.

A 320-acre spacing and proration unit in the Morrow formation comprising the W/2 of said Section 10, is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Carlsbad

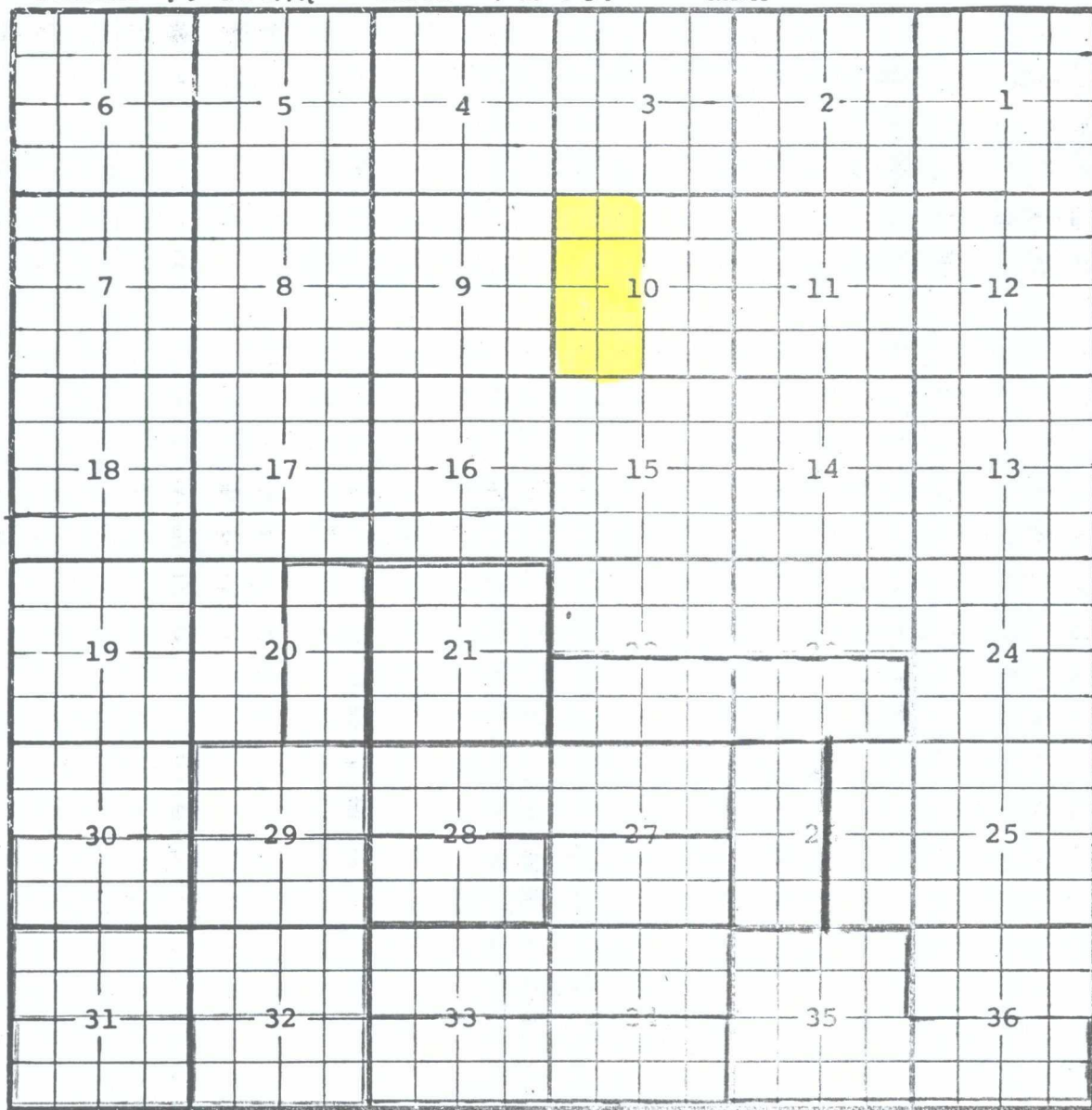
COUNTY Eddy

POOL North Turkey Track-Morrow Gas

TOWNSHIP 18 South

RANGE 29 East

NMPM



Description: $\frac{1}{2}$ Sec 29, $\frac{1}{2}$ Sec 31, $\frac{1}{2}$ Sec 32 (R-5361, 3-1-77)

Ext: $\frac{1}{2}$ Sec 30, $\frac{1}{2}$ Sec 32 (R-5667, 4-1-78) Ext: $\frac{1}{2}$ Sec 29, -

- $\frac{1}{2}$ Sec 31 (R-5838, 11-1-78) Ext: $\frac{1}{2}$ Sec 28 (R-6169, 11-1-79)

Ext: $\frac{1}{2}$ Sec 27 (R-6328, 5-1-80) Ext: $\frac{1}{2}$ Sec 27, $\frac{1}{2}$ Sec 28, $\frac{1}{2}$ Sec 33,

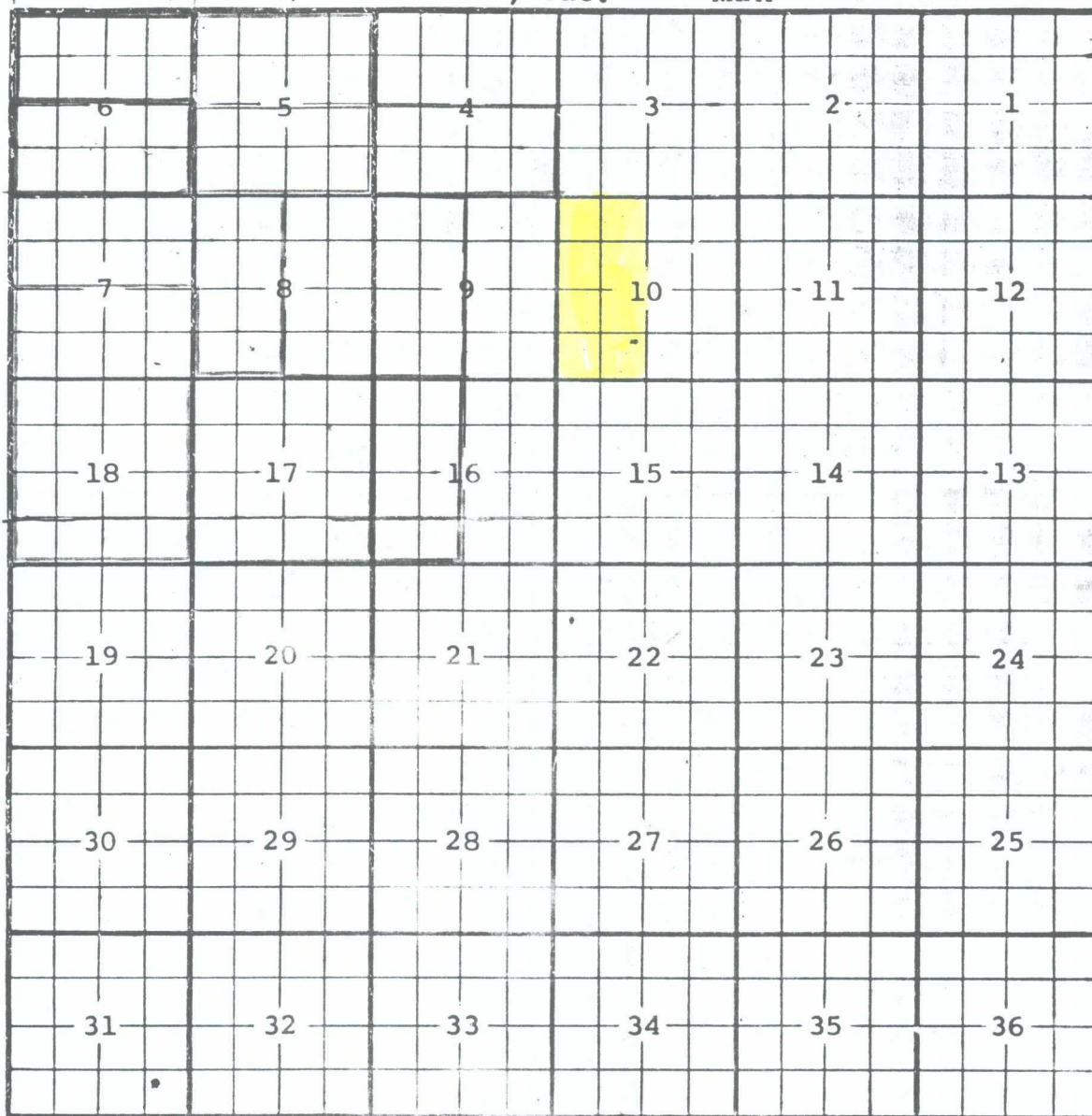
$\frac{1}{2}$ Sec 34 (R-6420, 8-1-80) Ext: $\frac{1}{2}$ Sec 20, $\frac{1}{2}$ Sec 33, $\frac{1}{2}$ Sec 34 (A-6576, 2-10-81)

Ext: All Sec 35, $\frac{1}{2}$ Sec 36 (A-6657, 4-20-81) Ext: All Sec 21 (A-6838, 11-8-81)

Ext: $\frac{1}{2}$ Sec 22, $\frac{1}{2}$ Sec 23 (R-9326, 11-1-90) Ext: $\frac{1}{2}$ Sec 26 (R-10724, 1-8-97)

COUNTY EddyPOOL South Empire - Morrow GasTOWNSHIP 18 SouthRANGE 29 East

NMPM

Description: $\frac{N}{2}$ Sec. 6 (R-4304, 6-1-72)Ext: $\frac{S}{2}$ Sec. 6 (R-4377, 9-1-72) Ext: $\frac{S}{2}$ Sec 5 (R-5417, 4-1-77)Ext: $\frac{N}{2}$ Sec 5, $\frac{N}{2}$ Sec 7, $\frac{W}{2}$ Sec 8 (R-5667, 4-1-78)Ext: $\frac{S}{2}$ Sec 7, All Sec 18 (R-5838, 11-1-78)Ext: E $\frac{1}{2}$ Sec 8, W $\frac{1}{2}$ Sec 9 (R-5988, 5-1-79) Ext: $\frac{S}{2}$ Sec. 4 (R-6274, 3-1-80)Ext: All Sec. 17 (R-6368, 7-1-80) Ext: $\frac{W}{2}$ Sec. 16 (R-8065, 10-31-85)