

wcu file



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

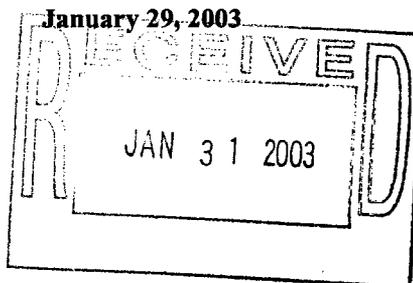
Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
Attention: Cy Cowan



Administrative Order NSL-4834

Dear Mr. Cowan:

Reference is made to the following: (i) your application dated January 2, 2003 (*application reference No. pKRV0-300353057*); (ii) the New Mexico Oil Conservation Division's ("Division") response by letter dated January 6, 2003 from Michael E. Stogner, Engineer in Santa Fe, requesting additional information with respect to notice; (iii) your telefaxed response on January 9, 2003 with additional notification; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's request for an unorthodox gas well location in the Chester formation for the proposed Rojo Stripe Bar Federal Well No. 1 to be drilled 460 feet from the South line and 635 feet from the West line (Lot 4/Unit M) of Section 18, Township 20 South, Range 23 East, NMPM, Eddy County, New Mexico.

Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 18, being a standard 318.88-acre stand-up gas spacing unit for the Chester formation is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox wildcat gas well location in the Chester formation within this 318.88-acre unit comprising the W/2 equivalent of Section 18 is hereby approved.

IT SHALL BE NOTED HOWEVER THAT the application initially submitted on January 3, 2003 requested the unorthodox gas well location for the Rojo Stripe Bar Federal Well No. 1 be applicable to both the Morrow and Chester formations; however, Yates Petroleum Corporation's notice to affected offsets was limited to the Chester formation only. This order is therefore restricted to the Chester interval.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe

Production (Michelle)
OCD Book (Dorothy)
Landman (Rob)
AS400 (Kathy Porter)
Land (Bob-original)

MESO-306951268

Susp: 3-5-2003

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

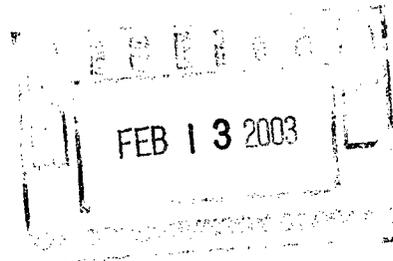


S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

February 11, 2003

Mr. Michael Stogner
NM Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505



Re: Administrative Order NSL-4834
Rojo Stripe BAR Federal Well No. 1
460' FSL and 635' FWL
Section 18, T20S-R23E
Eddy County, New Mexico

CAPI
No. 30-015-32602

Dear Mr. Stogner:

Enclosed, please find copies of Offset Operator/Leasehold Notification, Unorthodox Location letters being mailed out today for the above captioned well to include both the Morrow and Chester formations.

Should you have any questions, please contact Cy Cowan at (505) 748-4372.

Thank you.

Sincerely,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script, appearing to read 'Robert Asher'.

Robert Asher
Regulatory Technician

/rca
Enclosure(s)

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

February 11, 2003

TO: Addressee List Attached

Certified Mail
Return Receipt Requested

RE: Offset Operator/Leasehold Notification
Unorthodox Location
Rojo Stripe BAR Federal #1
Township 20 South, Range 23 East
Section 18: 460' FSL & 635' FWL
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation has been advised by the Artesia office of the Oil Conservation Division that the Rojo Stripe BAR Federal #1 well is located at an unorthodox location, which is described above. This location does not comply with existing special rules for the Wildcat Morrow and Wildcat Chester Gas Pools which states that no well shall be located closer than 660' feet from an outer boundary of a 320 acre spacing unit. Yates was required by the Bureau of Land Management to move this location to the unorthodox location because of topographic reasons.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Yates Petroleum Corporation's Rojo Stripe BAR Federal #1.

Very truly yours,

YATES PETROLEUM CORPORATION


Cy Cowan
Regulatory Agent

Company: _____

Name: _____

Title: _____

Date: _____

***Notification List of Offset
Operator/leasehold Owners***

Unorthodox Location
Rojo Stripe BAR Federal #1
Township 20 South, Range 23 East
Section 18: 460' FSL and 635' FWL
Eddy County, New Mexico

BP American Production Company
501 Westlake Park Blvd
WLI-Room 6.199
Houston TX, 77079
Attention: Lee M. Scarborough

Nearburg Producing Company
3300 North "A" Bldg. 2 Ste 120
Midland, TX 79705-5421
Attention: Duke Roush

Trilogy Operating Inc.
P.O. Box 7606
Midland, TX 79708
Attention: Jerry Weant



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7001 2940 0006 6423 7620

Trilogy Operating, Inc.
P.O. Box 7606
Midland, TX 79708
Attention: Jerry Weant

or Instructions

Postmark Here

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

OFFICIAL USE

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



POSTMETER
7131257

4.42
U.S. POSTAGE



YATES BUILDING - 106 SOUTH FOURTH ST.
 ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7001 1940 0006 6413 7580
 7001 1940 0006 6413 7580

Nearburg Producing Company
 3300 North "A" Bldg. 2 Ste 210
 Midland, TX 79705-5421
 Attention: Duke Roush

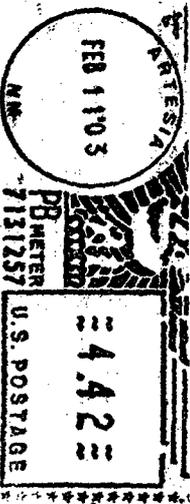
For Instructions

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

OFFICIAL USE

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



YATES PETROLEUM CORPORATION

YATES BUILDING - 105 SOUTH FOURTH ST.
 ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7001 1940 0006 6413 7573
 2001 1940 0006 6413 7573

PS Form

Sent to
 Lee M. Scarborough
 BP American Production Company
 501 Westlake Park Blvd.
 WLI-Room 6.199
 Houston, TX 77079

Street, Apt. or PO Box
 City, State

Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Postmark Here

OFFICIAL USE

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

ARTESIA NM
 FEB 11 1983
 PRINTER 7131257
 U.S. POS
 344