

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-D15-36659
Elyasevich "BMG"
COM #1
YATES 125575

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.**

RECEIVED
200 FEB 12 PM 10 34

[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.

William F. Carr *William F. Carr* ATTORNEY 2-11-09
 Print or Type Name Signature Title Date

wcarr@hollandhart.com
 e-mail Address



February 11, 2009

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Yates Petroleum Corporation for administrative approval of a 414.25-acre non-standard gas spacing unit for its Elyasevich "BMG" Com Well No. 1 comprised of the S/2 of Section 25, and all of Irregular Section 36, Township 26 South, Range 23 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Yates Petroleum Corporation ("Yates") hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.11.B(3), of a 414.25-acre non-standard gas spacing and proration unit to be comprised of the S/2 of Section 25 (320.52 acres), and all of Irregular Section 36 (93.73 acres) of Township 26 South, Range 23 East, N.M.P.M., Eddy County, New Mexico in the Devonian formation. This spacing unit will be dedicated to Elyasevich "BMG" Com Well No. 1 (API No. 30-015-36659) to be drilled as a wildcat well to test all formations developed on 320-acre spacing units (Strawn, Atoka, Morrow, Barnett Shale, Mississippian Lime and Devonian) from a surface location 660 feet from the South and East lines Section 25.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. Without this non-standard unit the reserves under Irregular Section 36 will not be dedicated to a well, the hydrocarbons under these lands drained, and the correlative rights of the owners in Irregular Section 36 will be impaired.

Attached hereto as **Exhibit A** is a copy of the Well Location and Acreage Dedication Plat Division for this well (Form C-102). This non-standard spacing and proration unit

Holland & Hart LLP

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HOLLAND & HART^{LLP}



is comprised of contiguous quarter-quarter sections and lots and lies wholly within the S/2 of Section 25 and all of Irregular Section 36. Attached as **Exhibit B** is a plat that shows the subject spacing unit for this well and all adjoining spacing units or leases.

There are no owners of interest in the mineral estate to be excluded from this non-standard proration unit and therefore no parties to whom notice is required by Oil Conservation Division Rule 19.15.4.12.A(3). Also attached as **Exhibit C** is a list of all working interest owners in Sections 25 and 36 of Township 26 South, Range 23 East, NMPM. All working owners in Sections 30 and 31 have voluntarily committed their interests to this well and unit and support this application.

Your attention to this application is appreciated.

Sincerely,

William F. Carr
Attorney for Yates Petroleum Corporation

Enclosures

cc: Ms. Janet Richardson
Assistant Land Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

DISTRICT II
1501 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36659	Pool Code 97338	Pool Name WILOCAT; Mississippian
Property Code 37410	Property Name ELYASEVICH "BMG" COM	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3990'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	26 S	23 E		660	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

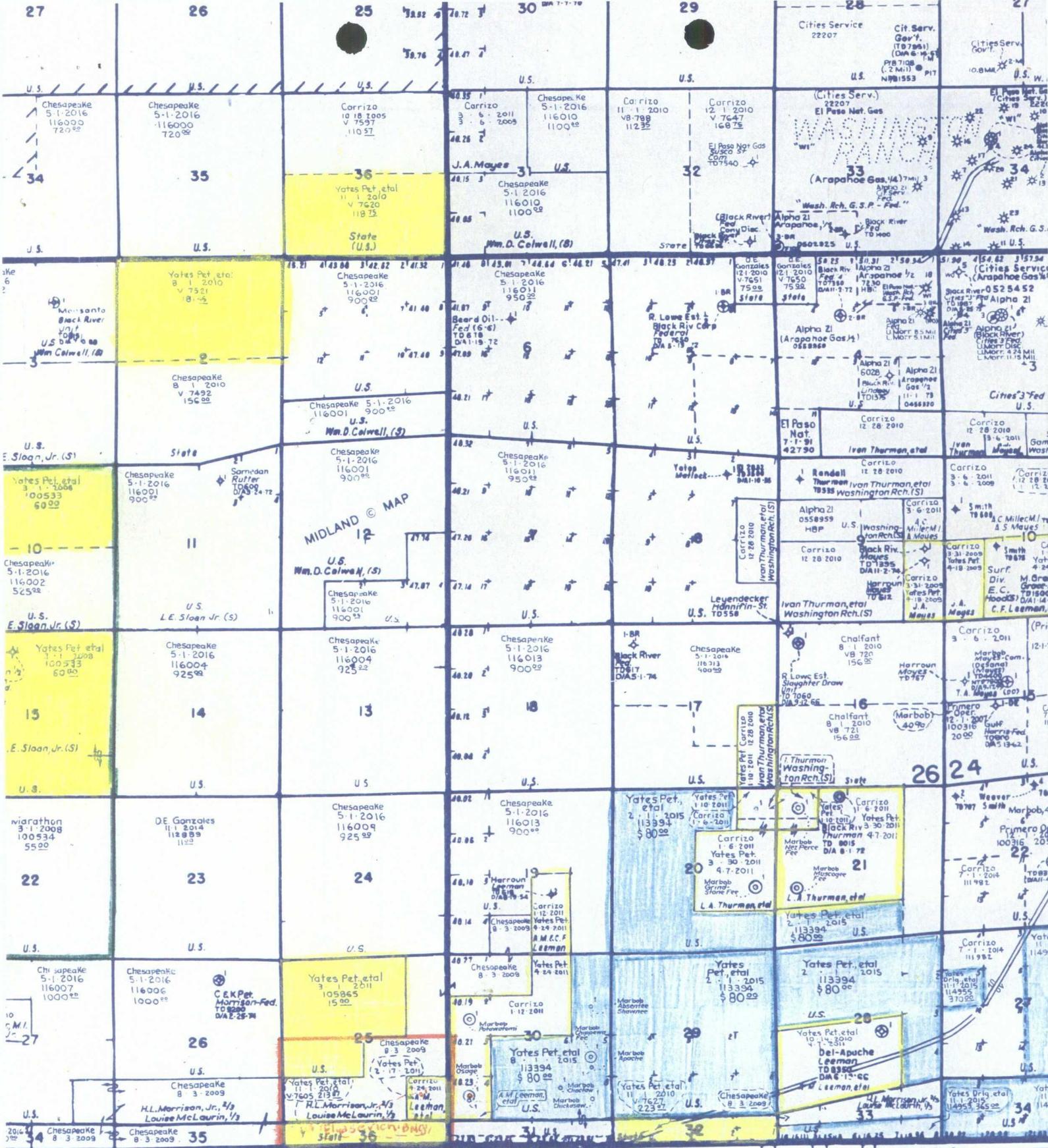
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320 S2	Joint or Infill	Consolidation Code	Order No.
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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>SURFACE LOCATION Lat - N32°00'15.09" Long - W104°32'56.49" SPC- N.: 365330.596 E.: 474478.500 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>G. Cowan</i> 9/8/08 Signature Date</p> <p>G. COWAN Printed Name</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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>AUGUST 20 2008 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Professional Surveyor</p> <p><i>Gary L. Jones</i> Professional Surveyor</p>	
	<p>Certificate No. Gary L. Jones 7977</p>	
	<p>BASIN SURVEYS</p>	

EXHIBIT
A



CULBERSON, West

CULBERSON, East

R-24-E

and Map



EXHIBIT
B



EXHIBIT C
WORKING INTEREST OWNERS

Sections 25 and 36, Township 26 South, Range 23 East, NMPM

Yates Petroleum Corporation
Yates Drilling Company
Myco Industries, Inc.
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Chesapeake Exploration Limited Partnership
Post Office Box 18496
Oklahoma City, Oklahoma 73154-0496

Carrizo Oil & Gas, Inc.
1000 Louisiana Street, Suite 1500
Houston, Texas 77002-5018

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211-0227



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, March 04, 2009 11:29 AM
To: 'wcarr@holandhart.com'
Subject: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

Dear Bill

The last sentence of the referenced application states "All working interest owners in Sections 30 and 31 have voluntarily committed their interests to this well and unit."

Since Sections 30 and 31 are the sections involved in the application filed the same date for Osage Fee Well No. 1, I am assuming that this is a typo in the Elyasavich BMG #1, application, and that the same sentence in that application should instead read: "All working interest owners in Sections 25 and 26."

Please confirm for the record.

Sincerely

David

Brooks, David K., EMNRD

From: William Carr [WCarr@hollandhart.com]
Sent: Thursday, March 05, 2009 12:33 PM
To: Brooks, David K., EMNRD
Subject: RE: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

Dear David

The last sentence in the Elyasevich BMG Com #1 Application is wrong. it should read: "All Working interest owners in Sections **25** and **36** have voluntarily committed their interest to this well and unit."
I apologize for the mistake.

Bill

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, March 04, 2009 11:32 AM
To: William Carr
Subject: FW: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

From: Brooks, David K., EMNRD
Sent: Wednesday, March 04, 2009 11:29 AM
To: 'wcarr@hollandhart.com'
Subject: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

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Sincerely

David

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