



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

March 19, 2003

**Yates Petroleum Corporation**  
**105 South Fourth Street**  
**Artesia, New Mexico 88210**

**Attention: Robert Bullock**



Re: *Re-entry of the plugged and abandoned Marbob Energy Corporation Leapin Lizard Federal Well No.1 (API No. 30-005-63011), to be redesignated the Leapin Lizard "BCL" Federal Com. Well No. 1, located 421 feet from the North line and 2381 feet from the West line (Unit C) of Section 21, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico, to test all formations for gas spaced on 320-acre spacing.*

Dear Mr. Bullock:

Reference is made to the Division's letter dated March 10, 2003 concerning the subject administrative application (*Division administrative application reference No. pKRV0-306326909*) of March 3, 2003 and the U. S. Bureau of Land Management's concerns with Yates Petroleum Corporation's orientation of the spacing unit for this well.

To date you have not submitted the supplemental data necessary to amend your filing; therefore, this application deemed incomplete is hereby **denied** and is being returned to you at this time.

Sincerely,

**Michael E. Stogner**  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe  
Armando Lopez, U. S. Bureau of Land Management - Roswell  
William F. Carr, Legal Counsel for Yates Petroleum Corporation - Santa Fe  
Ms. Kathy Valdes - NMOCD, Santa Fe



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Dear Mr. Bullock:

Reference is made to Federal Regulation 43 CFR 3105.2-2 concerning communitization of federal acreage to form a standard unit of spacing. It is my understanding you have been in contact with the Roswell office of the U. S. Bureau of Land Management concerning this matter. In light of the information provided me by Mr. Armando Lopez (see copy of e-mail message attached), your administrative application (***Division administrative application reference No. pKRV0-306326909***) of March 3, 2003 for the subject well as an unorthodox gas well location within a standard 320-acre stand-up gas spacing unit for any and all formation or pools developed on 320-acre spacing, can not be approved. Should you wish to amend this application accordingly, I will hold this application until Tuesday, March 18, 2003 otherwise this filing will be dismissed and returned to you at that time.

If you decide to amend this filing, please review the Division's notification Rule 1207.A (2) (see copy attached), and supplement your application verifying that notice was adequate in this matter. My records indicate the only two wells in Section 33, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico, to the north are both Devonian oil well wells on 40-acre spacing; therefore, since there are no gas wells in any formation in Section 33 there is no "operator" to notify.

Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

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

**Stogner, Michael**

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**From:** Armando\_Lopez@nm.blm.gov  
**Sent:** Friday, March 07, 2003 2:57 PM  
**To:** mstogner@state.nm.us  
**Subject:** Yates Petroleum Corp's Re-entry of Leapin Lizard BCL Fed Com. #1

As per our telephone conversation on 03/07/03 we are in receipt of Yates permit to re-enter the subject well and their proposal to dedicate the W1/2 of sec. 4, T14S, R29E NMPM to the well.

Federal Regulation 43 CFR 3105.2-2 concerning communitization or drilling agreements states the following.

3105.2-2 Purpose

When a lease or a portion thereof cannot be independently developed and operated in conformity with and established well-spacing or well-development program, the authorized officer may approve communitization or drilling agreements for such lands with other lands, whether or not owned by the United States, upon a determination that it is in the public interest. Operations or production under such an agreement shall be deemed to be operations or productions as to each lease committed thereto.

In as much as the N1/2 of sec. 4 is one federal lease we cannot authorize a communitization agreement for the subject well unless the operator furnishes adequate engineering and /or geological data to indicate that communitizing two or more leases will result in more efficient drainage of the area.

It is our understanding that Yates Petroleum Corporation has filed application for a non-standard location with your office. If approved we would want to see it spaced with a N1/2 in order that they may be in compliance with our regulations.

As always thanks for your assistance and if you have any questions do not hesitate to call me at (505) 627-0248.

Armando Lopez