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4-4-12 DATE IN	SUSPENSE	ENGINEER DB	LOGGED IN 4-4-12	TYPE NSL	APP NO. PDKB1204
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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



*Jates*  
*Zimmerman*  
*BKC Fed #1*

## 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.

Print or Type Name

Signature

Title

Date

e-mail Address

**Brooks, David K., EMNRD**

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**From:** Robert Morrison [rmorrison@yatespetroleum.com]  
**Sent:** Wednesday, April 04, 2012 10:55 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Zinniz BKC Federal #1  
**Attachments:** ZinniaC-102.pdf

Dear Mr. Brooks,

I fear I may have been unclear in my outline of perforation footage and have attached the Zinnia C-102 with the perforation footages. While the Top of the Bone Spring is located at 1931' FNL & 1031' FWL, the top perforation shall be at 1991' FNL and 1521' FWL and the bottom perforation shall be at 2019' FNL & 1653' FWL. The perforated interval is located entirely in unit F at distance ranging from 201' - 333' from the 1320' QTR/QTR.

After visiting with Armando Lopez about creating an 80 acre project area consisting of units e & f, a question arose pertaining to how 2 spacing units can be committed to a project area when the producing interval is located in unit f alone.

With the understanding that this interval would classify the well as a horizontal, is reason enough to create a 80 acre project area when all producing interval are located within 1- 40 acre spacing unit. I appreciate your help and look forward to resolving the matter.

Please feel free to contact me directly at 575-748-4371 or by return email.

Sincerely,

Rob Morrison

Rob Morrison  
*Associate Landman*  
**YATES PETROLEUM CORPORATION**  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210  
Direct: (575) 748-4371  
Fax: (575) 748-4572  
[rmorrison@yatespetroleum.com](mailto:rmorrison@yatespetroleum.com)

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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Tuesday, April 03, 2012 4:46 PM  
**To:** Robert Morrison  
**Subject:** Zinniz BKC Federal #1

Dear Mr. Morrison

I have in hand your application for non-standard location approval in the Bone Spring for the referenced well.

It appears to me, however, that non-standard location approval is not required based on the footage locations of the top and bottom perforations that you state.

Since the lateral distance from west to east between the top and bottom perforations is greater than 100 feet, the well as you propose to complete it in the Bone Spring is a horizontal well, as defined in 19.15.16.7.E NMAC. Accordingly, a

two-spacing unit project area consisting of Units E and F of Section 27 should be dedicated to this well in the Bone Spring. In a horizontal well project area, setbacks from internal lines within the project area are disregarded.  
19.15.16.15.B NMAC.

Should you decide to re-complete this well in a different formation, if the location of the perforations in that formation place the well at an unorthodox location, a new application would be required.

If you have any questions, please contact me at 505-476-3450, or by return email.

Sincerely

David K. Brooks

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-27939		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Wildcat; Bone Spring
<sup>4</sup> Property Code 36604	<sup>5</sup> Property Name Zinnia BKC Federal		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation		<sup>9</sup> Elevation 3273' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	20S	29E		1980	North	910	West	Eddy

<sup>11</sup> 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
F	27	20S	29E		2114	North	2563	West	Eddy

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup>	<sup>17</sup> OPERATOR CERTIFICATION 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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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. Signature: <u>Tina Huerta</u> Date: <u>March 5, 2012</u> Printed Name: <u>Tina Huerta</u> E-mail Address: <u>tina.h@yatespetroleum.com</u>	
	<sup>18</sup> 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. Date of Survey: Signature and Seal of Professional Surveyor:	
	Certificate Number:	