Stogner, Michael

(see McKay. \$6)

From:

Stogner, Michael

Sent:

Friday, April 22, 2005 12:07 PM

To: Subject: April McKay (E-mail)
Samantha "B" Federal #1

RE:

pSEM0-509729980

McKay Oil Corporation's proposed Samantha "B" Federal Well No. to be drilled 660' FSL & 2080' FEL (O) Sec. 31-

T5S-R22E, Chaves County.

DATE: April 22, 2005

I received your letter of application for the Samantha "B" Fed. #1 to be drilled at a "Non Standard Location." From what little information you provided, it would appear this application <u>can</u> be processed administratively; however, as submitted - it is incomplete and is therefore **denied**.

(1) You did not say what formation this well is unorthodox for or its intended spacing unit;

You say that a Texas/NM pipeline ran directly through the original pad for the proposed well being 660' FSL & 1980' FEL and that a move further south would be too close to the Section line; why then couldn't the well be moved north and/or east and not towards the east/west quarter section line?

(3) If you do not choose to move the well to a standard location and plan to reapply, please submit land plats, topographic maps, and a schematic of the pipeline as in traverses through Sec. 31 and any other topographic features precluding McKay from relocating to a standard location.

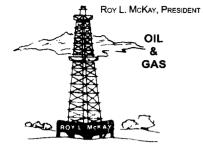
I will keep your application on file and will supplemental any subsequent re-filing, if you so choose.

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINIOTATIVE AFFEIGATION CILCULATION
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.
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
- ''INTI 1 INTI 1000



MAILING ADDRESS: P.O. Box 2014 Roswell, N.M. 88202 • Telephone 505 / 623 - 4735 Street Address: One McKay Place Roswell, N.M. 88201 • Fax No. 505 / 624 - 2202

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APR 0 5 2005

OIL CONSERVATION DIVISION

March 30, 2004

Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department Mr. Michael Stogner 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Samantha B Federal #1 Non Standard Location

Mr. Stogner:

McKay Oil Corporation requests to be placed on the hearing docket for the next available hearing after publication of McKay's request for approval for the following non-standard location:

The names and justification for the non-standard location is as follows:

SAMANTHA B FEDERAL #1 is located at 660' FSL & 2080' FEL in Section 31, T5S, R22E. The location was originally staked at 660' FSL & 1980' FEL. This well location has been placed in this new location due to 2 constraints. The first constraint is that a Texas/New Mexico pipeline ran directly through the original pad. Secondly is if we moved it to the South it would be too close to the section line.

In regards to Sec 31, McKay Oil Corporation has 100% operating rights

In T6S, R22E Sec 1 N/2 McKay Oil Corporation has 100% operating rights

In T5S, R22E Sec 32 SW/4 McKay Oil Corporation has 100% operating rights In T5S, R21E Sec 36 Yates Petroleum Corporation has 100% operating rights

In T6S, R22E Sec 2 Yates Petroleum Corporation has 100% operating rights

In any event, McKay Oil Corporation, McKay Petroleum Corporation hereby give it's approval for said unorthodox location. Also, please see attached response from Yates Petroleum Corporation regarding Sec 36, T5S, R21E.

Should this information be sufficient, please administratively approve NSL for the Samantha B Federal #1.

Sincerely,

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



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT

S. P. YATES

RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

March 18, 2005

April McKay McKay Oil Corporation P. O. Box 2014 Roswell, NM 88202-2014

> Re: Samantha B Federal #1 Sec 31, T5S, R22E 660' FSL & 2080' FEL Chaves County, New Mexico

Dear April:

Please find enclosed your original letter executed by Yates Petroleum Corporation showing no objection to the non-standard location on the above captioned well. If we can be of any further assistance please let us know.

Very truly yours,

YATES PETROLEUM CORPORATION

Land to the state of the state

Tamala J. Verdugo

Land Assistant

/tv

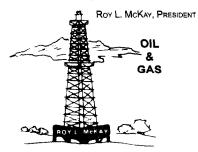
Enclosure

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MAR 17 2005

McKay Oil Corporation .

MAIL ROOM



MAILING ADDRESS: P.O. Box 2014 Roswell, N.M. 88202 • Telephone 505 / 623 - 4735 STREET ADDRESS: ONE McKay Place Roswell, N.M. 88201 • Fax No. 505 / 624 - 2202

March 16, 2005

Kathy Porter Yates Petroleum Corporation 105 S 4th St Artesia, NM 88210

RE:

Samantha B Federal #1 Sec 31, T5S, R22E 660' FSL & 2080 'FEL

Chaves County, NM

Mrs. Porter:

McKay Oil Corporation requests a non standard location for the Samantha B Federal #1 located in Section 31, T5S, R22E, 660' FSL & 2080' FEL in Chaves County. Yates owns Sec 36, T5S, R21E. Yates also owns Sec 2, T6S, R22E. Should you not object to this location, please execute and fax back to McKay Oil Corporation at 505-624-2202 as soon as possible. Should you have any questions, please do not hesitate to call.

Yates Petroleum has no objections to this location.

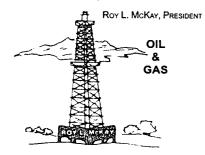
Yates Petroleum Corporation

BY:

March 17, 2005 Date

Sincerely,

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MAILING ADDRESS: P.O. Box 2014 Roswell, N.M. 88202 • Telephone 505 / 623 - 4735 Street Address: One McKay Place Roswell, N.M. 88201 • Fax No. 505 / 624 - 2202

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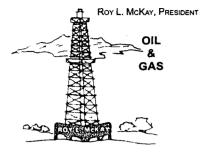
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AlcKay Oil Corporation.

MAIL ROOM



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