

8-22-05 DATE IN	9-12-2005 SUSPENSE	Stagner ENGINEER	8-23-05 LOGGED IN	NSL TYPE	PSEM0523535237 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



API No.
30-041-20912

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.

WILLIAM F. CARR
Print or Type Name

Signature

ATTORNEY
Title

8-22-05
Date

wcarr@hollandhart.com
e-mail Address



August 22, 2005

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 an Unorthodox Well Location for its Gato Loco "BFT" Com Well No. 1 located 1800 feet from the South line and 900 feet from the East line of Section 31, Township 8 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, and Rule 3 of the Special Rules and Regulations for the Vada-Pennsylvanian Pool, adopted on September 12, 1968, by Order No. R-3179-B Yates Petroleum Corporation hereby seeks administrative approval of an unorthodox well location for its Gato Loco "BFT" Com Well No. 1 located 1800 feet from the South line and 900 feet from the East line of Section 31, Township 8 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico. The SE/4 of Section 31 will be dedicated to the well. The well was originally drilled at a standard gas well location in the Northwest Jenkins-Atoka Gas Pool. See Oil Conservation Division form C-102 attached hereto as **Exhibit A**. The proposed Gato Loco "BFT" Com. Well No. 1 has been re-completed up hole Pennsylvanian formation. Yates has reviewed this re-completion with Mr. Paul Kautz in the Division's Hobbs District Office who has confirmed that the well is completed in the Vada-Pennsylvanian Pool.

This location is unorthodox because it is governed by the Rule 4 of the Special Rules and Regulations for the Vada-Pennsylvanian Pool which provides for wells on 160-spacing units to be located within 150 feet of the center of a governmental quarter-quarter section or lot. The location is therefore too close to the center of the dedicated 160-acre spacing unit in this pool. Attached hereto as **Exhibit B** is a plat as required by

Mark E. Fesmire, P. E., Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
August 22, 2005
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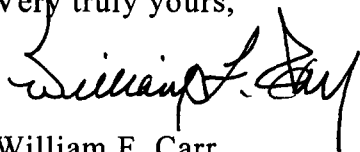
Rule 104.F (3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units. The NW/4 of offsetting Section 32 is now owned by J. Cleo Thompson, not Ard Drilling as shown on the plat.

Rule 5 of these Special Pool Rules and Regulations provide that the Director of the Division may grant an exception to these rules where the unorthodox location has been necessitated by the recompletion of a well previously drilled to another horizon. This rule also provides that all offset operators shall be notified of the application by registered or certified mail and that the application shall state that such notice has been furnished.

On the date this application was filed, notice was provided to all offsetting operators by providing each with a copy of this application, including the plat attached thereto, by Certified Mail advising each that they have 20 days from the date of the notice letter to file an objection with the Santa Fe Office of the Oil Conservation Division and that, if no objection is received by the Division, the application may be approved.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr
Attorney for Yates Petroleum Corporation

Enclosures

cc: Ms. Kathy H. Porter
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88201

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

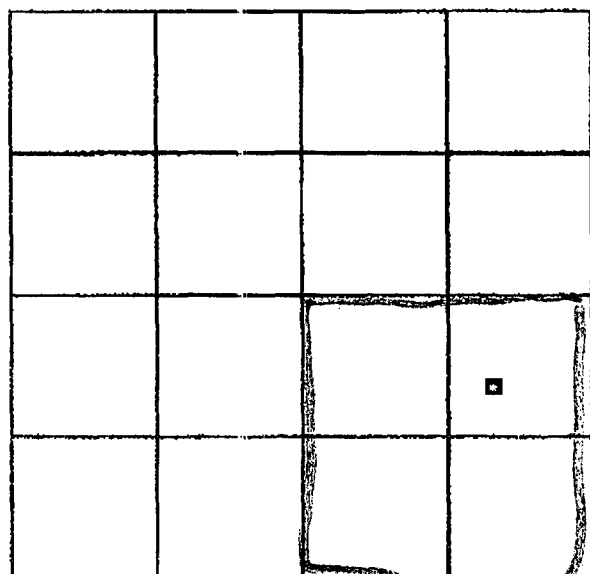
Form C-102
Permit 5400

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-041-20912	Pool Name JENKINS, ATOKA, NORTHWEST (GAS)	Pool Code 79323
Property Code 34559	Property Name GATO LOCO BFT COM	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4184

Surface And Bottom Hole Location

UL or Lot I	Section 31	Township 08S	Range 34E	Lot Idn I	Feet From 1800	N/S Line S	Feet From 900	E/W Line E	County Roosevelt
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 01/18/2005

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.

Surveyed By: Herschel Jones

Date of Survey: 12/09/2004

Certificate Number: 3640

