

new file



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

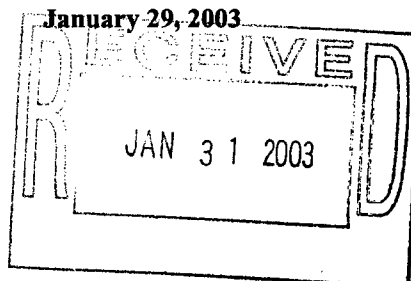
Bill Richardson  
Governor

Joanna Prukop  
Cabinet Secretary

Lori Wrotenberg  
Director

Oil Conservation Division

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118  
Attention: Cy Cowan



Administrative Order NSL-4834

Dear Mr. Cowan:

Reference is made to the following: (i) your application dated January 2, 2003 (*application reference No. pKRV0-300353057*); (ii) the New Mexico Oil Conservation Division's ("Division") response by letter dated January 6, 2003 from Michael E. Stogner, Engineer in Santa Fe, requesting additional information with respect to notice; (iii) your telefaxed response on January 9, 2003 with additional notification; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's request for an unorthodox gas well location in the Chester formation for the proposed Rojo Stripe Bar Federal Well No. 1 to be drilled 460 feet from the South line and 635 feet from the West line (Lot 4/Unit M) of Section 18, Township 20 South, Range 23 East, NMPM, Eddy County, New Mexico.

Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 18, being a standard 318.88-acre stand-up gas spacing unit for the Chester formation is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox wildcat gas well location in the Chester formation within this 318.88-acre unit comprising the W/2 equivalent of Section 18 is hereby approved.

IT SHALL BE NOTED HOWEVER THAT the application initially submitted on January 3, 2003 requested the unorthodox gas well location for the Rojo Stripe Bar Federal Well No. 1 be applicable to both the Morrow and Chester formations; however, Yates Petroleum Corporation's notice to affected offsets was limited to the Chester formation only. This order is therefore restricted to the Chester interval.

Sincerely,

Lori Wrotenberg  
Director

LW/MES/kv

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

Production (Michelle)  
OCD Book (Dorothy)  
Landman (Rob)  
AS400 (Kathy Porter)  
Land (Bob-original)

MESO-306951268

Susp: 3-5-2003

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

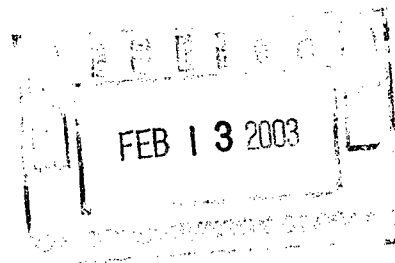


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

February 11, 2003

Mr. Michael Stogner  
NM Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505



Re: Administrative Order NSL-4834  
Rojo Stripe BAR Federal Well No. 1  
460' FSL and 635' FWL  
Section 18, T20S-R23E  
Eddy County, New Mexico

CAPI  
No. 30-015-32602

Dear Mr. Stogner:

Enclosed, please find copies of Offset Operator/Leasehold Notification, Unorthodox Location letters being mailed out today for the above captioned well to include both the Morrow and Chester formations.

Should you have any questions, please contact Cy Cowan at (505) 748-4372.

Thank you.

Sincerely,

YATES PETROLEUM CORPORATION

Robert Asher  
Regulatory Technician

/rca  
Enclosure(s)

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



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DENNIS G. KINSEY  
TREASURER

February 11, 2003

TO: Addressee List Attached

**Certified Mail**  
*Return Receipt Requested*

**RE: Offset Operator/Leasehold Notification  
Unorthodox Location  
Rojo Stripe BAR Federal #1  
Township 20 South, Range 23 East  
Section 18: 460' FSL & 635' FWL  
Eddy County, New Mexico**

Gentlemen:

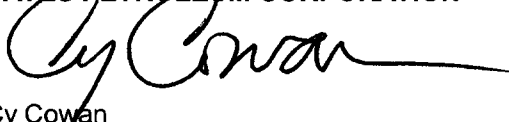
Yates Petroleum Corporation has been advised by the Artesia office of the Oil Conservation Division that the Rojo Stripe BAR Federal #1 well is located at an unorthodox location, which is described above. This location does not comply with existing special rules for the Wildcat Morrow and Wildcat Chester Gas Pools which states that no well shall be located closer than 660' feet from an outer boundary of a 320 acre spacing unit. Yates was required by the Bureau of Land Management to move this location to the unorthodox location because of topographic reasons.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Yates Petroleum Corporation's Rojo Stripe BAR Federal #1.

Very truly yours,

**YATES PETROLEUM CORPORATION**

  
Cy Cowan  
Regulatory Agent

**Company:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

***Notification List of Offset  
Operator/leasehold Owners***

Unorthodox Location  
Rojo Stripe BAR Federal #1  
Township 20 South, Range 23 East  
Section 18: 460' FSL and 635' FWL  
Eddy County, New Mexico

BP American Production Company  
501 Westlake Park Blvd  
WLI-Room 6.199  
Houston TX, 77079  
Attention: Lee M. Scarborough

Nearburg Producing Company  
3300 North "A" Bldg. 2 Ste 120  
Midland, TX 79705-5421  
Attention: Duke Roush

Trilogy Operating Inc.  
P.O. Box 7606  
Midland, TX 79708  
Attention: Jerry Weant



YATES BUILDING - 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7001 1940 0006 6413 7610

Trilogy Operating, Inc.  
P.O. Box 7606  
Midland, TX 79708  
Attention: Jerry Weant

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

OFFICIAL USE

U.S. Postal Service  
CERTIFIED MAIL RECEIPT  
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YATES BUILDING - 106 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

7001 1940 0006 6413 7580  
7001 1940 0006 6413 7580

Nearburg Producing Company  
3300 North "A" Bldg. 2 Ste 210  
Midland, TX 79705-5421  
Attention: Duke Roush

For Instructions

Postmark  
Here

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

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PM  
METER  
U.S. POSTAGE  
= 4.42 =

**ARTESIA PETROLEUM CORPORATION**

YATES BUILDING - 105 SOUTH FOURTH ST.  
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

PS Form	
Sent to	7001 1940 0006 6413 7573
Street, Apt. or PO Box	7001 1940 0006 6413 7573
City, State	7001 1940 0006 6413 7573
Postage	7001 1940 0006 6413 7573
Certified Fee	7001 1940 0006 6413 7573
Return Receipt Fee (Endorsement Required)	7001 1940 0006 6413 7573
Restricted Delivery Fee (Endorsement Required)	7001 1940 0006 6413 7573
Total Postage & Fees	7001 1940 0006 6413 7573
Postmark Here	7001 1940 0006 6413 7573

Lee M. Scarborough  
BP American Production Company  
501 Westlake Park Blvd.  
WLI-Room 6.199  
Houston, TX 77079

**OFFICIAL USE**

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
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ARTESIA, NM  
FEB 11 1983  
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