

02/12/09 DATE IN	SUSPENSE	D. BROOKS ENGINEER	02/12/09 LOGGED IN	NSP TYPE	PKAA 0904350578 APP NO.
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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



30-015-36074  
OSAGE FEE 091

YATES 025575/  
MAR 02 14049  
1929

## 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

William F. Carr  
Signature

Attorney  
Title

2-11-09  
Date

wcarr@hollandhart.com  
e-mail Address

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RECEIVED



February 11, 2009

**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 a 423.96 acre non-standard gas spacing unit for all formations developed on 320-acre spacing for its Osage Fee Well No. 1 comprised of the S/2 of Section 30, and all of Irregular Section 31, Township 26 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Yates Petroleum Corporation ("Yates") hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.11.B(3), of a 423.96 acre non-standard gas spacing and proration unit to be comprised of the S/2 of Section 30 (329.32 acres), and all of Irregular Section 31 (94.64 acres) of Township 26 South, Range 24 East, N.M.P.M., Eddy County, New Mexico in the Devonian formation. This spacing unit will be dedicated to Yates Osage Fee Well No. 1 (API No. 30-015-36074) to be drilled as a wildcat well to test all formations developed on 320-acre spacing units (Strawn, Atoka, Morrow, Barnett Shale, Mississippian Lime and Devonian) from a surface location 760 feet from the South line and 660 feet from the West line of said Section 30.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. Without this non-standard unit the reserves under Irregular Section 31 will not be dedicated to a well, the hydrocarbons under these lands drained and the correlative rights of the owners in Irregular Section 31 will be impaired.

HOLLAND & HART LLP



Attached hereto as **Exhibit A** is a copy of the Well Location and Acreage Dedication Plat Division for this well (Form C-102). Although Marbob Energy Corporation filed the Form C-102 for this well, Yates Petroleum Corporation will operate the well. This non-standard spacing and proration unit is comprised of contiguous quarter-quarter sections and lots. It lies wholly within the S/2 half of Section 30 and all of Irregular Section 31. Attached as **Exhibit B** is a plat which shows the subject spacing unit for this well and all adjoining spacing units or leases.

There are no owners of interest in the mineral estate to be excluded from this non-standard proration unit and therefore no parties to whom notice is required by Oil Conservation Division Rule 19.15.4.12.A(3). Attached as **Exhibit C** is a list of all working interest owners in Sections 30 and 31 of Township 26 South, Range 24 East, NMPM. All working interest owners in Sections 30 and 31 have voluntarily committed their interests to this well and unit and support this application.

Your attention to this application is appreciated.

Sincerely,

William F. Carr  
Attorney for Yates Petroleum Corporation

Enclosures

cc: Ms. Janet Richardson  
Assistant Land Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

District I

1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**

Form C-102  
Permit 68817

**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-36074	2. Pool Code 96750	3. Pool Name WILDCAT G08 S231630C;DEVONIAN (G)
4. Property Code 36972	5. Property Name OSAGE FEE	6. Well No. 001
7. GRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3978

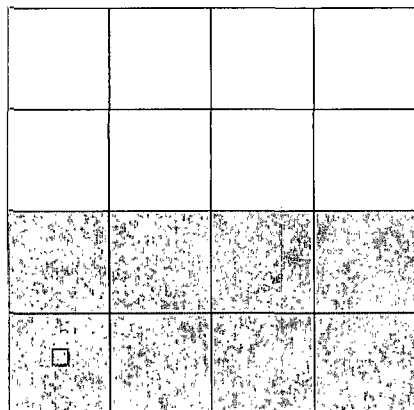
**10. Surface Location**

UL - Lot M	Section 30	Township 26S	Range 24E	Lot Idn M	Feet From 760	N/S Line S	Feet From 660	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 329.32	13. Joint or Infill	14. Consolidation Code	15. Order No.						

**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**

**OPERATOR CERTIFICATION**

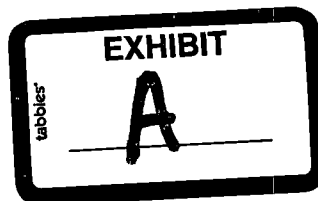
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this 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.*

E-Signed By: Diana Briggs  
Title: Production Analyst  
Date: 2/4/2008

**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: Ronald Eidson  
Date of Survey: 1/11/2008  
Certificate Number: 3239







**EXHIBIT C**  
**WORKING INTEREST OWNERS**

Sections 30 and 31, Township 26 South, Range 24 East, NMPM

Yates Petroleum Corporation  
Yates Drilling Company  
Myco Industries, Inc.  
Abo Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Chesapeake Exploration Limited Partnership  
Post Office Box 18496  
Oklahoma City, Oklahoma 73154-0496

Carrizo Oil & Gas, Inc.  
1000 Louisiana Street, Suite 1500  
Houston, Texas 77002-5018

Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211-0227

