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110 North Guadalupe, Suite 1,
P.O. Box 2208, Santa Fe, New Mexico 87504-2208

Tuesday, October 14, 2003

To: David Catanach
Oil Conservation Division

Fax: 476-3471
Phone: 476-3466

3462

From: Katherine E. Hawkins for William F.
Carr

Fax: 505-983-6043
Phone: 505-988-4421

Message:

Per our telephone conversation, attached is a copy of the administrative application filed on November 8, 2002. Thanks.

*No record of this
application
found? 10/14/03*

☒ No Confirmation Copy

Number of pages including cover sheet: 9

Note: If this fax is illegible or incomplete please call us. This fax may contain confidential information protected by the attorney-client privilege. If you are not the named recipient, you may not use, distribute or otherwise disclose this information without our consent. Instead, please call (505) 988-4421; we will arrange for its destruction or return.

Attorney Number: 5101

Client/Matter Number: 44519.0049

Time Deadline:

Operator Initials:

Date Transmitted:

Time:

*Rec: 10-14-2003
Susp: 11-3-2003*

PM ESO-328844494

DATE IN	SUBPENSE	ENGINEER	LOGGED IN	TYPE	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

**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

11/9/02
Date

wcarr@hollandhart.com
e-mail Address

02 NOV -8 PM 2:57

OIL CONSERVATION DIV.

HOLLAND & HART LLP
ATTORNEYS AT LAW

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BOULDER • COLORADO SPRINGS
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William F. Carr

wcarr@hollandhart.com

November 7, 2002

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

API 3000563022

Re: Application of Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard gas spacing unit for its Spring Federal Well No. 4 located 660 feet from the North line and 1980 feet from the East line of partial Section 5, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

Dear Ms. Wrotenbery:

Yates Petroleum Corporation, pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a 170.60-acre non-standard gas spacing and proration for the Spring Federal Well No. 4 to be comprised of all of partial Section 5, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico.

Yates proposes to drill this well to test the Strawn, Cisco and Wolfcamp formations. These formations are developed on 320-acre spacing pursuant to the general rules of the Division.

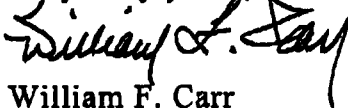
This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots that lie wholly within a single governmental section and are joined by a common side. Attached is a plat that shows the subject spacing unit and all adjoining spacing units or leases. Also attached is a list of all parties affected by this application.

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
November 7, 2002
Page 2

Since this non-standard spacing and proration unit comprises all of partial Section 5, there are no owners in the mineral estate who are excluded from this non-standard unit. On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to all offset operators or mineral interest owners by Certified Mail--Return Receipt Requested. Each of these parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objection are received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Very truly yours,


William F. Carr

cc: Janet Richardson
Yates Petroleum Corporation

NOTIFICATION LIST

Application of Yates Petroleum Corporation.
administrative approval of
a non-standard spacing or proration unit
Spring Federal Well No. 4
660 feet from the North line and 1980 feet from the East line
70.60 acres (All of Partial Section 5)
Section 5, Township 6 South, Range 26 East, NMPM
Chaves County, New Mexico.

Elizabeth Maberry Absher
3001 Monties Lane
Arlington, Texas 76015

Branex Resources, Inc.
Post Office Box 2328
Roswell, New Mexico 88202-2328

John D. Cadigan
Drawer F
Cashmire, Washington 98815

Calto Oil Company
Post Office Box 12266
Dallas, Texas 75225-0266

Campbell Investment Company
c/o Pat Greenwade
Post Office Box 3854
Roswell, New Mexico 88202-3854

Willie M. Carson
#2 Hummingbird Place
Odessa, Texas 79761

Jerry N. Carson
#2 Hummingbird Place
Odessa, Texas 79761

S. H. and Marion K. Cavin
Post Office Box 1125
Roswell, New Mexico 88202-1125

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

May 24, 2002

Page 2

Exco Resources, Inc.
6500 Greenville Ave.
Suite 600, LB-17
Dallas, Texas 75206

Grover Brothers, Ltd.
c/o Robert Pullman
Expressway Tower, Suite 1000
6116 North Central Expressway
Dallas, Texas 75206

Gruy, LLC
8222 Douglas Ave, Suite 250
Dallas, Texas 75225

George S. Keffalos, Jr.
701 Orchard Homes Drive
Farmington, New Mexico 87410

Brian Mc Courtney Lebow
712 Lipscomb
Dallas, Texas 75214

Marshall & Winston
Post Office Box 50880
Midland, Texas 79710

David C. Morrow
Post Office Box 60480
Midland, Texas 79711

The Ninety-Six Corporation
550 W. Texas, Suite 1225
Midland, Texas 79701

Pecos Production Company
401 West Texas Ave., Suite 1003
Midland, Texas 79701

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May 24, 2002
Page 3

Pecos Production Company
550 West Texas Ave., Suite 720
Midland, Texas 79701

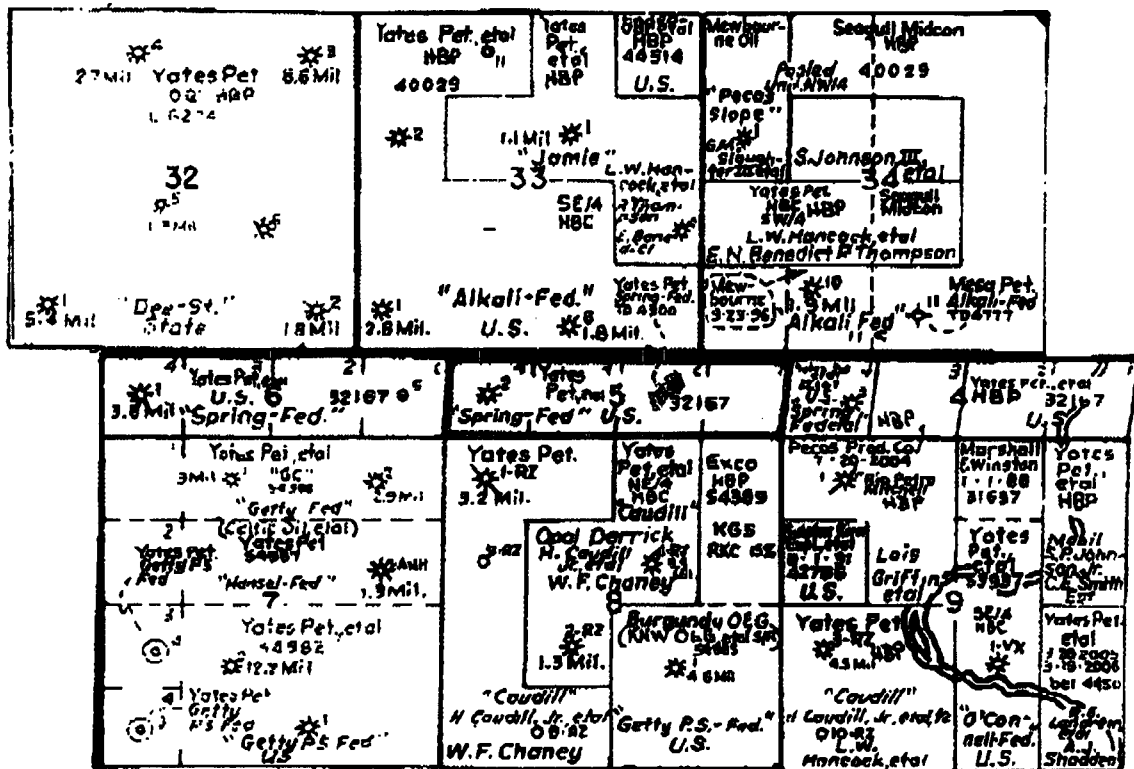
Dan Peoples
1517 Cottonwood Valley Circle South
Irving, Texas 75038

RKC, Inc.
c/o Central Resources, Inc.
1775 Sherman St., Suite 2600
Denver, Colorado 80203-4313

Sulphur River Exploration, Inc.
5949 Sherry Lane, Suite 755
Dallas, Texas 75225

Greg Vujovich
100 Mt Highway 287 N
Ennis, Montana 59729-9122

**Yates Petroleum Corporation
Spring Deep Federal #4
660' FNL & 1980' FWL
Section 5-T6S-R26E
Chaves County, New Mexico**



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FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

November 7, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

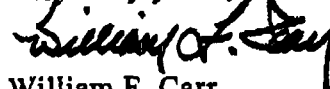
Re: Application of Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard spacing unit in the Strawn, Cisco and Wolfcamp formations for its Spring Federal Well No. 4 located 660 feet from the North line and 1980 feet from the East line of Section 5, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Yates Petroleum Corporation for administrative approval of a 170.60-acre non-standard gas spacing and proration unit comprised of the all of partial Section 5, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. This spacing and proration unit will dedicated to the Spring Federal Well No. 4 to be recompleted in the Strawn, Cisco and Wolfcamp formations at a location 660 feet from the North line and 1980 feet from the East line of said Section 5.

As the owner of an interest that will be affected by the proposed non-standard unit, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located and 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the non-standard spacing or proration unit may be approved.

Very truly yours,



William F. Carr

Attorney for Yates Petroleum Corporation.

cc: Ms. Janet Richardson