



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

April 7, 2004

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

**Yates Petroleum Corporation**  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Attention: **Clifton R. May**  
Regulatory Agent

*Case 13259*

Re: *Administrative application (administrative application reference No. pMES0-408630145) dated March 10, 2004 for Yates Petroleum Corporation to form a non-standard 389.44-acre deep Mississippian gas spacing unit comprising all of Irregular Section 2, Township 11 South, Range 34 East, NMPM, Undesignated Sand Springs-Mississippian Gas Pool (97125) to be dedicated to Yates's proposed Rokesmith "BDI" State Com. Well No. 1 (API No. 30-025-36582) to be drilled at a standard gas well location 1750 feet from the South line and 700 feet from the East line (Unit I) of Irregular Section of 2.*

Dear Mr. May:

In reviewing the subject application I find that the Tenneco "ADP" State Com. Well No. 1 (API No. 30-025-25762), located 330 feet from the South line and 990 feet from the East line (Unit P) of Irregular Section 2, that you referenced as the first well in the proposed Mississippian spacing unit, was drilled to, is completed in, and producing from the Sand Springs Atoka-Morrow Gas Pool (84871); therefore, Yates's proposed Rokesmith "BDI" State Com. Well No. 1 is not "the second well on this spacing unit" as you state in your application. The applicable provisions governing the Mississippian formation do not allow this type of non-standard unit (one that crosses half section lines) to be processed administratively [see Division Rule 104.D (2) (b) (ii)]. However, in this particular instance, I have caused this application to be placed on the next available examiner's hearing docket scheduled for April 29, 2004 and have it advertised in the following manner:

***"Application of Yates Petroleum Corporation for a non-standard gas spacing unit, Lea County, New Mexico. Applicant seeks to establish a non-standard 389.44-acre deep gas spacing unit within the Undesignated Sand Springs-Mississippian Gas Pool (97125) comprising all of irregular Section 2, Township 11 South, Range 34 East, which is located approximately 13.5 miles northwest of Tatum, New Mexico. This unit is to be dedicated to Yates Petroleum Corporation's proposed Rokesmith "BDI" State Com. Well No. 1- (API No. 30-025-36582) to be drilled as this unit's initial well at a standard deep gas well location 1750 feet from the South line and 700 feet from the East line (Unit I) of irregular Section 2. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT."***

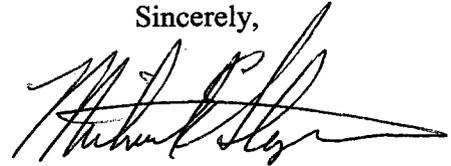
**Yates Petroleum Corporation**  
**Clifton R. May**  
**April 7, 2004**  
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I anticipate the Division can issue an order at that time without any further information or direct involvement by Yates Petroleum Corporation.

Should you have any questions or comments concerning this matter, please contact your legal counsel, Mr. William F. Carr in Santa Fe at (505) 988-4421. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office – Santa Fe  
William F. Carr, Legal Counsel for Yates Petroleum Corporation – Santa Fe

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



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

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DENNIS G. KINSEY  
TREASURER

March 10, 2004

Mr. Michael Stogner  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Reference: Non-Standard Gas Proration Unit  
Rokesmith BDI State Com #1  
1750' FSL & 700' FEL  
Section 2-T11S-R34E  
Lea County New Mexico

RECEIVED

MAR 12 2004

Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505

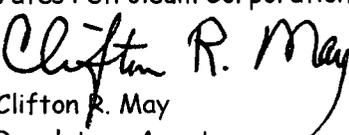
Case 13259

Dear Mr. Stogner:

Yates Petroleum Corporation wishes to apply for a non-standard gas proration unit for this well due to the irregular section it is in. Yates wishes to use the entire section containing a total of 389.44 acres. This well will be drilled to a depth of 12350' and will be completed in the Sand Springs; Mississippian (Gas) pool with the pool code being 97125.

This is the second well on this spacing unit. The first well is the Tenneco ADP State Com #1 at 330' FSL & 990' FEL, Section 2-T11S-R34E. The plans are to plug this well should production in commercial quantities are discovered in the Rokesmith well. Enclosed is a C-102 showing both wells and the 389.44 acres.

Should you have any questions or need more information, I can be reached at the above address or by phone at (505) 748-4347. Thank you for your assistance in this matter.

Sincerely,  
Yates Petroleum Corporation  
  
Clifton R. May  
Regulatory Agent

**DISTRICT II**

811 South First, Artesia, NM 88210

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

**DISTRICT IV**

2040 South Pacheco, Santa Fe, NM 87505

**OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<b>API Number</b> 30-025-36582		<b>Pool Code</b> 97125		<b>Pool Name</b> Sand Springs; Mississippian (Gas)	
<b>Property Code</b> 33450		<b>Property Name</b> ROKESMITH "BDI" STATE COM.			<b>Well Number</b> 1
<b>OGRID No.</b> 025575		<b>Operator Name</b> YATES PETROLEUM CORPORATION			<b>Elevation</b> 4149

**Surface Location**

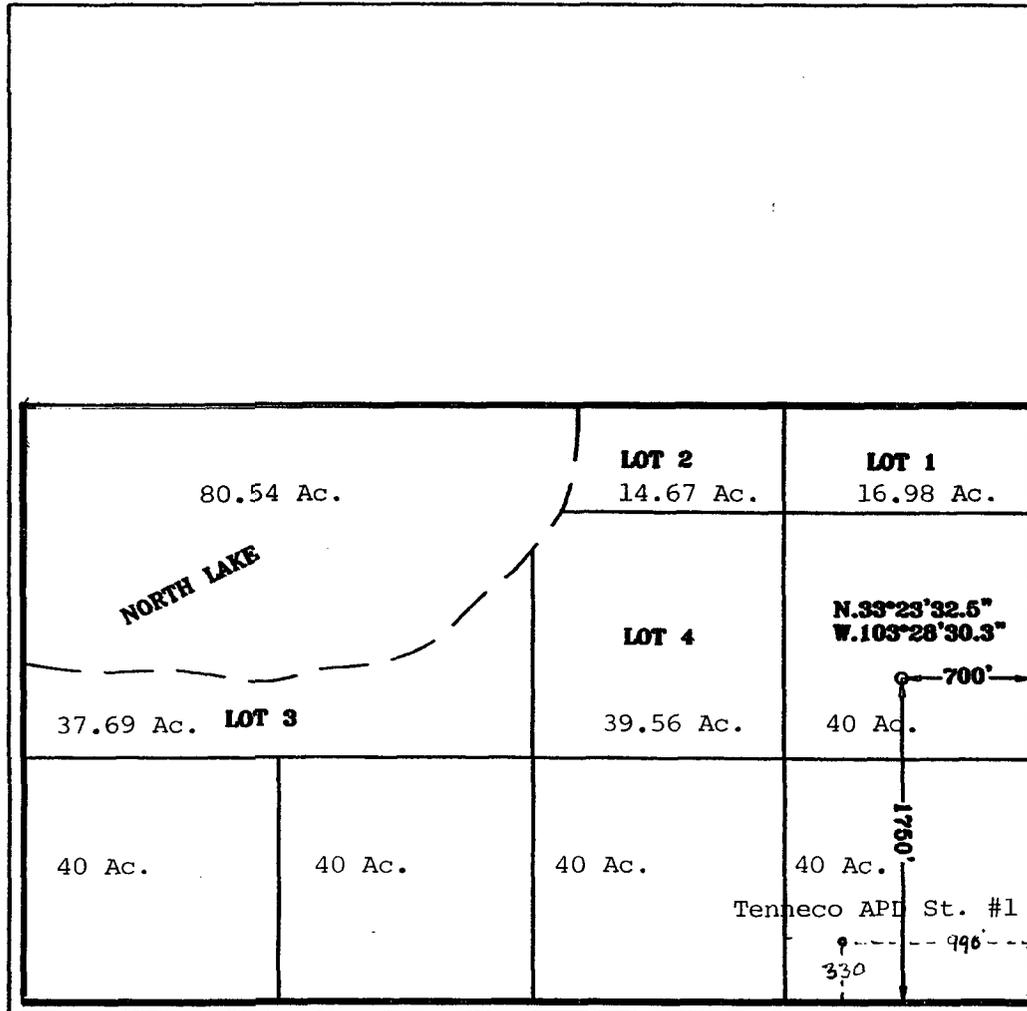
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	11S	34E		1750	SOUTH	700	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
30574									

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
389.44			

**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 the the information contained herein is true and complete to the best of my knowledge and belief.

*Clifton R. May*

Signature  
Clifton R. May

Printed Name  
Regulatory Agent

Title  
3/1/04

Date

**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.

2/09/2004

Date Surveyed

Signature & Seal of Professional Surveyor

*Herschell E. Jones*

HERSCHELL E. JONES  
NEW MEXICO  
REGISTERED SURVEYOR  
No. 3640

Certificate No. Herschel E. Jones RLS 3640

ROKESMITH 1

GENERAL SURVEYING COMPANY

0 330° 660° 990° 1650° 1980° 2310° 2310° 1980° 1650° 990° 660° 330° 0°