

DATE IN 6-1-04	SUSPENSE 6-21-04	ENGINEER Stogner	LOGGED IN 6-8-04	TYPE NSP	APP NO. PSEM-0416531518
-------------------	---------------------	---------------------	---------------------	-------------	----------------------------

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

JUN 01 2004 NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
OIL CONSERVATION 1220 South St. Francis Drive, Santa Fe, NM 87505  
DIVISION



Varbrough Oil & Gas

## 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 \_\_\_\_\_

see also  
Case 13277  
and  
NSP-1871

### [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.

Eddie W. Seay Eddie W. Seay Agent 5/28/04  
Print or Type Name Signature Title Date  
seay 04 @ leaco . net  
e-mail Address

May 28, 2004

NMOCD Engineering  
ATTN: Michael Stogner  
Box 6429  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RE: Yarbrough Oil Company LP  
Jalmat Gas  
Steeler #8

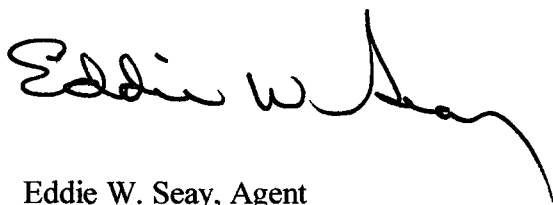
Mr. Stogner:

Yarbrough Oil Co. is seeking approval to re-enter its Steeler #8 located in Section 17, Township 23 S., Range 37 E., Lea Co., and re-complete to a Jalmat Yates Gas Producer.

Find within the original application with the attached notices.

If you have any questions, please call.

Thanks,

A handwritten signature in black ink, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eddie W. Seay, Agent  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-101  
Revised June 10, 2003

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Yarbrough Oil LP C/O Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240		<sup>2</sup> OGRID Number 025504
		<sup>3</sup> API Number 30 - 025-10790
<sup>3</sup> Property Code 016406	<sup>5</sup> Property Name E. L. Steeler	<sup>6</sup> Well No. 8

**<sup>7</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	23S	37E		1980	North	1980	East	Lea

**<sup>8</sup> Proposed 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
G	17	23S	37E		1980	North	1980	East	Lea
<sup>9</sup> Proposed Pool 1 Jalmat Gas						<sup>10</sup> Proposed Pool 2			

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary Workover Unit	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3333 DF
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 2500'-2900'	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor Halliburton	<sup>20</sup> Spud Date ASAP

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
		See	Original	Completion	

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data of the present productive zone and proposed new productive zone.  
Describe the blowout prevention program, if any. Use additional sheets if necessary.  
RU & install BOP. Set CIBP @ 3300'. Run Temp. Survey & Neutronlog. Perf. Yates 2650'-2890', 28 holes, 2 shots p/s. Acid w/2000 gals 10% w/balls & Flush w/500 gals 2% KCL wtr & frac.

**RECEIVED**

MAR 29 2004

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

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Gaye Heard</i> Printed name: Gaye Heard Title: Agent E-mail Address: gheard@oilreportsinc.com Date: 3/24/04		OIL CONSERVATION DIVISION Approved by: Title: Approval Date: Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
Phone: 505/393-2727			

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-10790		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Jalmat Gas
<sup>4</sup> Property Code 016406	<sup>5</sup> Property Name E. L. Steeler		<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 025504	<sup>8</sup> Operator Name Yarborough Oil LP		<sup>9</sup> Elevation 3333 DF

<sup>10</sup> Surface Location

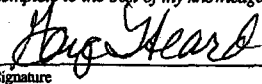
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	23S	37E		1980	North	1980	East	Lea

<sup>11</sup> 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
G	17	23S	37E		1980	North	1980	East	Lea

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div>16</div> <div>RECEIVED</div> <div>MAR 29 2004</div> <div>Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div></div> <div>Signature</div> <div>Gave Heard</div> <div>Printed Name</div> <div>Agent gheard@oilreportsinc.com</div> <div>Title and E-mail Address</div> <div>3/24/04</div> <div>Date</div>

May 18, 2004

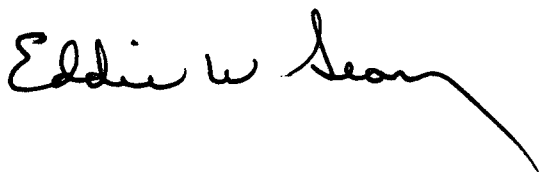
RE: Yarborough Oil  
Jalmat Gas Well Application

Dear Sir:

Pursuant to Rule 4 and the Oil Conservation Division, Yarborough Oil, LP is filing application for a non-standard 160 acre Jalmat Gas Well. The E. L. Steeler #8 is located in Unit G, Section 17, Township 23 South, Range 37 East, Lea Co., NM.

Within are copies of information pertaining to the application. Any questions about the application can be addressed to Eddie W. Seay, agent, at (505)392-2236. Any protest or exceptions to the application should file notice with the New Mexico Oil Conservation Division, Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM, 87504, within twenty (20) days.

Sincerely,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent  
(505)392-2236

## OFFSET OPERATORS OR MINERAL OWNERS

Wildcat Energy, LLC ✓  
Box 13323  
Odessa, TX 79768

L.B. Burleson, Inc. ✓  
Box 2479  
Midland, TX 79702

Breck Operating  
Box 4250  
5201 Leisure Dr.  
Midland, TX 79704

BLM  
U.S. Minerals  
620 E. Green St.  
Carlsbad, NM 88220

Saga Petroleum  
415 W. Wall, Ste. 1900  
Midland, TX 79701

State Land Office ✓  
Mineral Division  
310 Old Santa Fe Trail  
Box 1148  
Santa Fe, NM 87504-1148







U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
State Land Office, Mineral Division  
Street, Apt. No.;  
or PO Box No.  
510 Old Santa Fe Trail, Box 1148  
City, State, ZIP+4  
Santa Fe, NM 87504-1148

PS Form 3800, January 2001

See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
SAGA Petroleum  
Street, Apt. No.;  
or PO Box No.  
2000 W. Wall St 1900  
City, State, ZIP+4  
Midland TX 79701

PS Form 3800, January 2001

See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
Breck Operating  
Street, Apt. No.;  
or PO Box No.  
Box 4250, 5201 Leisure Dr.  
City, State, ZIP+4  
Midland TX 79704

PS Form 3800, January 2001

See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
BLM, U.S. Minerals  
Street, Apt. No.;  
or PO Box No.  
1220 E. Green St.  
City, State, ZIP+4  
Carlsbad, NM 88220

PS Form 3800, January 2001

See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
L. O. Burleson, Inc.  
Street, Apt. No.;  
or PO Box No.  
Box 2479  
City, State, ZIP+4  
Midland TX 79702

PS Form 3800, January 2001

See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0640
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KHGCBP
Total Postage & Fees	\$ 4.42	05/18/04

Sent To  
Wildcat Energy, LLC  
Street, Apt. No.;  
or PO Box No.  
Box 13323  
City, State, ZIP+4  
Odessa TX 79768

PS Form 3800, January 2001

See Reverse for Instructions



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Wildcat Energy, LLC  
Box 13323  
Odessa, TX 79768

2. Article Num  
(Transfer fr

7001 1940 0003 1308 0007

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

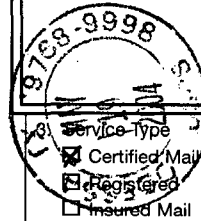
X R.L. Becker

☐ Agent☐ Addressee

## B. Received by (Printed Name)

R.L. Becker

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail☐ Express Mail☒ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

State Land Office  
Mineral Division  
310 Old Santa Fe Trail  
Box 1148  
Santa Fe, NM 87504-1148

2. Article Num  
(Transfer fr

7001 1940 0003 1307 9957

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X [Signature]

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

L.B. Burleson, Inc.  
Box 2479  
Midland, TX 79702

2. Article Num  
(Transfer fro

7001 1940 0003 1307 9995

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X Julie Truitt

☐ Agent☐ Addressee

## B. Received by (Printed Name)

Julie Truitt

## C. Date of Delivery

5-20-04

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM  
U.S. Minerals  
620 E. Green St.  
Carlsbad, NM 88220

2. Article Number (Transfer from) 7001 1940 0003 1307 9971

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

JANA ABLE

C. Date of Delivery

5-19

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SAGA Petroleum  
415 W. Wall, Ste. 1900  
Midland, TX 79701

2. Article Number (Transfer from) 7001 1940 0003 1307 9964

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-25-04

D. Is delivery address different from item 1? ☒ Yes

If YES, enter delivery address below:

☐ No

203 W. Wall # 810

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Breck Operating  
Box 4250  
5201 Leisure Dr.  
Midland, TX 79704

2. Article Number (Transfer from) 7001 1940 0003 1307 9988

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

Alma E. Alvarado

C. Date of Delivery

5/24/04

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

RECEIVED

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

JUN 09 2004

Lori Wrotenbery

Director

Oil Conservation Division

OIL CONSERVATION  
DIVISION

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

RE: Proposed:

MC

DHC

NSL

NSP

SWD

WFX

PMX

Gentlemen:

I have examined the application for the:

Yarbrough Oil Co Steeler #8-G, 17-23s-37e  
Operator Lease & Well No. Unit S-T-R API # 30-025-10790

and my recommendations are as follows:

Yours very truly,

Chris Williams (Signature)  
Chris Williams  
Supervisor, District 1