

PKAA0904350160

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

Elyasevich "BATES NASS 75

; ;

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:

	[DHC-Dowr [PC-Po	, ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] of Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] ified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	I
[1]	TYPE OF AP [A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL X NSP SD	
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD III EOR PPR	S B
	[D]	Other: Specify	12
[2]	[A]	ON REQUIRED TO: - Check Those Which Apply, or XDoes Not Apply Working, Royalty or Overriding Royalty Interest Owners	AM 10
	[B]	Offset Operators, Leaseholders or Surface Owner	<u>54</u>
	[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. CAPE	williams. Sail	AMENEY	2-11-09
Print or Type Name	Signature	Title	Date

wearr @hoilandhart.com e-mail Address

HOLLAND&HART

William F. Carr wcarr@hollandhart.com

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 414.25-acre non-standard gas spacing unit for its Elyasevich "BMG" Com Well No. 1 comprised of the S/2 of Section 25, and all of Irregular Section 36, Township 26 South, Range 23 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 414.25-acre non-standard gas spacing and proration unit to be comprised of the S/2 of Section 25 (320.52 acres), and all of Irregular Section 36 (93.73 acres) of Township 26 South, Range 23 East, N.M.P.M., Eddy County, New Mexico in the Devonian formation. This spacing unit will be dedicated to Elyasevich "BMG" Com Well No. 1 (API No. 30-015-36659) 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 660 feet from the South and East lines Section 25.

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 nonstandard unit the reserves under Irregular Section 36 will not be dedicated to a well, the hydrocarbons under these lands drained, and the correlative rights of the owners in Irregular Section 36 will be impaired.

Attached hereto as <u>Exhibit A</u> is a copy of the Well Location and Acreage Dedication Plat Division for this well (Form C-102). This non-standard spacing and proration unit

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

HOLLAND&HART

is comprised of contiguous quarter-quarter sections and lots and lies wholly within the S/2 of Section 25 and all of Irregular Section 36. Attached as **Exhibit B** is a plat that 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 nonstandard proration unit and therefore no parties to whom notice is required by Oil Conservation Division Rule 19.15.4.12.A(3). Also attached as <u>Exhibit C</u> is a list of all working interest owners in Sections 25 and 36 of Township 26 South, Range 23 East, NMPM. All working 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.

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 1625 N. Prench Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Aricols, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artsc, NM 87410

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

State of New Mexico Energy, Minerals and Natural Resources Department

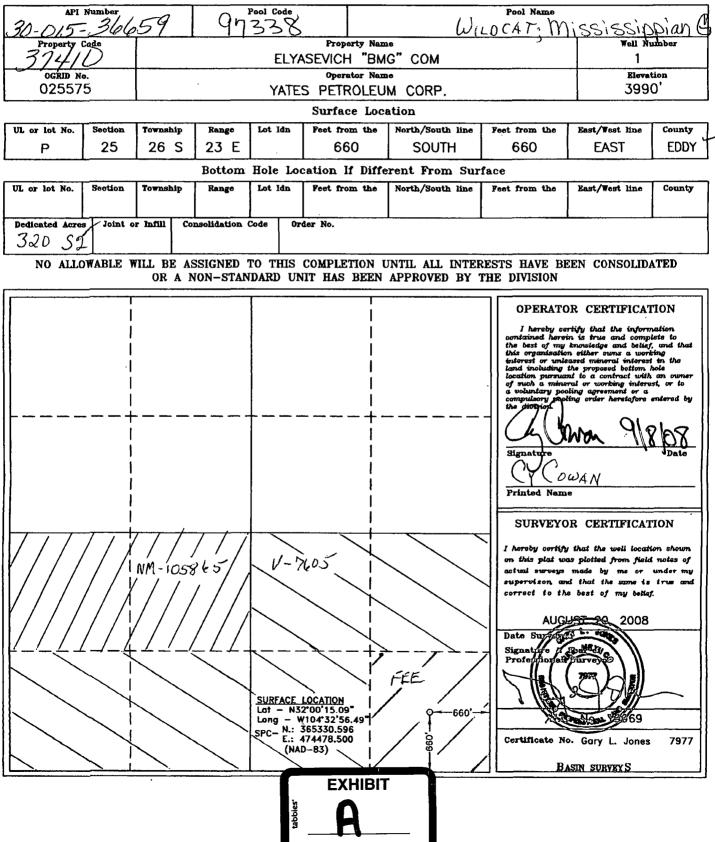
Revised October 12, 2005

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

I AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT



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EXHIBIT C WORKING INTEREST OWNERS

Sections 25 and 36, Township 26 South, Range 23 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



Brooks, David K., EMNRD

From: Sent: To: Subject: Brooks, David K., EMNRD Wednesday, March 04, 2009 11:29 AM 'wcarr@holandhart.com' Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

Dear Bill

The last sentence of the referenced application states "All working interest owners in Sections 30 and 31 have voluntarily committed their interests to this well and unit."

Since Sections 30 and 31 are the sections involved in the application filed the same date for Osage Fee Well No. 1, I am assuming that this is a typo in the Elyasavich BMG #1, application, and that the same sentence in that application should instead read: "All working interest owners in Sections 25 and 26.

Please confirm for the record.

Sincerely

David

Brooks, David K., EMNRD

From:	William Carr [WCarr@hollandhart.com]
Sent:	Thursday, March 05, 2009 12:33 PM
То:	Brooks, David K., EMNRD
Subject:	RE: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

Dear David

The last sentence in the Elyasevich BMG Com #1 Application is wrong. it should read: "All Working interest owners in Sections **25** and **36** have voluntarily committed their interest to this well and unit." I apologize for the mistake. Bill

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, March 04, 2009 11:32 AM
To: William Carr
Subject: FW: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

From: Brooks, David K., EMNRD
Sent: Wednesday, March 04, 2009 11:29 AM
To: 'wcarr@holandhart.com'
Subject: Yates Petroleum Corporation - Elyasevich BMG Com #1 - NSP Application

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Sincerely

David

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