

DATE <u>3/24/03</u>	SUBMITTED <u>4/1/03</u> <u>(14)</u>	ENGINEER <u>WVS</u>	LOGGED IN <u>KV</u>	TYPE <u>NSP</u>	PPR NO. <u>PRV0308629807</u>
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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 William F. Carr ATTORNEY 3-24-03
 Print or Type Name Signature Title Date
wcarr@hollandhart.com
 e-mail Address

RECEIVED

MAR 24 2003

Oil Conservation Division

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

March 24, 2003

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

Re: Application of Yates Petroleum Corporation for administrative approval of a 165.90-acre non-standard gas spacing unit for its Bobwhite "BBH" Federal Com. Well No. 1 located 660 feet from the South line and 750 feet from the West line of partial Section 3, 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 165.90-acre non-standard gas spacing and proration for the Bobwhite "BBH" Federal Com. Well No. 1 to be comprised of all of partial Section 3, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. A non-standard 165.90-acre spacing unit comprised of this acreage was originally approved by Division Administrative Order NSP-1415 dated June 29, 1984. This non-standard unit was dedicated to this well (previously called the James "YY" Federal Well No. 1) in the Abo formation, Pecos Slope-Abo Gas Pool. The well no longer produces from the Abo formation.

Yates proposes to re-enter this well and drill it to the basement formation and test all formations below the top of the Wolfcamp formation which includes but is not necessarily limited to the Wolfcamp, Cisco and Strawn formations. Yates therefore seeks approval of this non-standard unit in all formations below the top of the Wolfcamp formation which, pursuant to

4-15-03
talked w/ Bryan + George in Bobwhite
prepared decision to 5480
top of Wolfcamp
to top of
Pre-Camb.

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

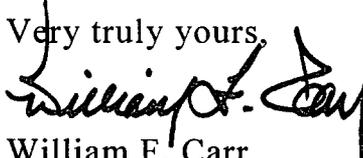
March 24, 2003
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the General Rules and Regulations of the Oil Conservation Division, are developed on 320-acre spacing.

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.

Since this non-standard spacing and proration unit comprises all of partial Section 3, 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 objections 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

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NOTIFICATION LIST

Application of Yates Petroleum Corporation.
administrative approval of
a non-standard spacing or proration unit
Bobwhite "BBH" Federal Com. Well No. 1
660 feet from the South line and 750 feet from the West line
165.90 acres (All of Partial Section 3)
Section 3, Township 6 South, Range 26 East, NMPM
Chaves County, New Mexico.

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

Centralia Oil Company &
Sulphur River Products
5949 Sherry Lane, Suite 755
Dallas, Texas 75225

ExxonMobil Corporation
Post Office Box 4697
Houston, Texas 77210-4697

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

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

March 24, 2003
Page 4

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

Marshall & Winston
Post Office Box 50880
Midland, Texas 79701

Mewbourne Oil Company
Post Office Box 7698
Tyler, Texas 75711

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

Pecos Production Company
400 West Illinois, Suite 1070
Midland, Texas 79701-4639

Pecos River Operating
550 West Texas Ave., Suite 720
Midland, Texas 79701

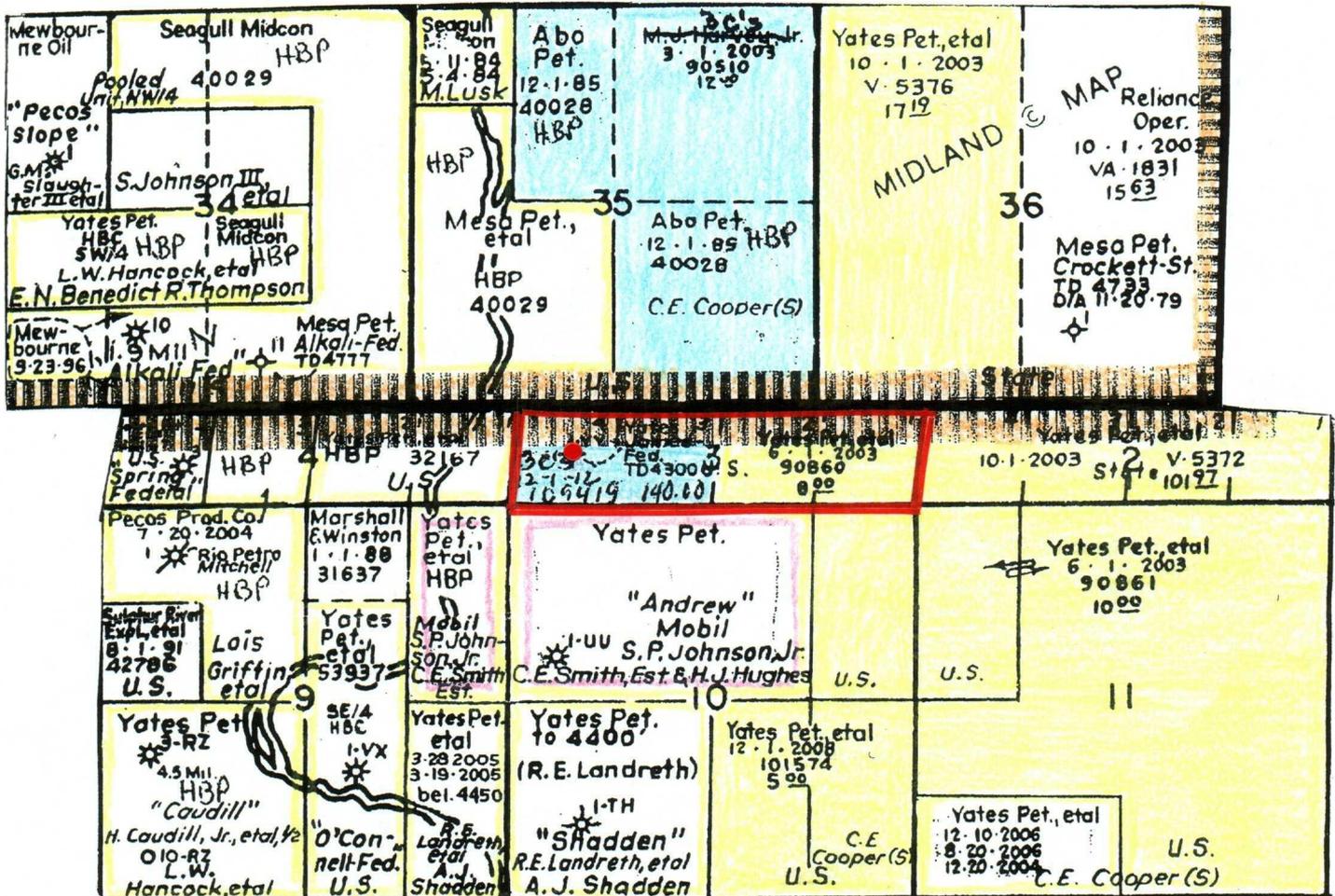
Reliance Operating
Post Office Box 10946
Midland, Texas 79702

Texaco Exploration & Production
Post Office Box 1635
Houston, Texas 77251-1635

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

Exhibit 1

Yates Petroleum Corporation
 BOBWHITE "BBH" FED. COM. #1
 660' FNL & 750' FWL
 Section 3-T6S-R26E
 Chaves County, New Mexico



HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
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TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

March 24, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

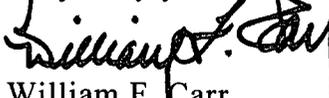
Re: Application of Yates Petroleum Corporation for administrative approval of a 165.90-acre non-standard spacing unit in all formations below the top of the Wolfcamp formation for its Bobwhite "BBH" Federal Com. Well No. 1 located 660 feet from the South and 750 feet from the West lines of Section 3, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application that was filed with the Oil Conservation Division on this date by Yates Petroleum Corporation seeking administrative approval of a 165.90-acre non-standard gas spacing and proration unit comprised of the all (Lots 1 through 4) of partial Section 3, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico. This spacing and proration unit will be dedicated to the Bobwhite "BBH" Federal Com. Well No. 1 (formerly called the James "YY" Federal Well No. 1) to be drilled to a depth sufficient to test all formations below the top of the Wolfcamp formation at a location 660 feet from the South line and 750 feet from the West line of said Section 3.

As the owner of an interest that may 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



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 29, 1984

Yates Petroleum Corporation
207 South Fourth Street
Artesia, NM 88210

Attention: Gliserio Rodriguez

Administrative Order NSP-1415

Gentlemen:

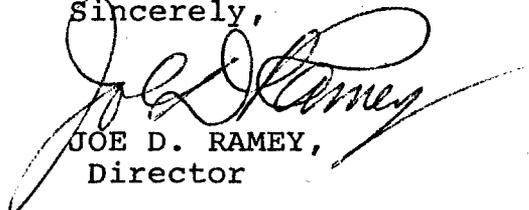
Reference is made to your application for a 160-acre non-standard proration unit consisting of the following acreage in the Pecos Slope Abo Pool:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 3: All

It is my understanding that this unit is to be dedicated to your James "YY" Federal Well No. 1 located 660 feet from the South line and 750 feet from the West line of said Section 3.

By authority granted me under the provisions of Rule 104 D II of the Division Rules and Regulations, the above non-standard proration unit is hereby approved.

Sincerely,


JOE D. RAMEY,
Director

JDR/RLS/dp

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Hobbs