

DATE: 6/5/02	SUBMITTER: 6/25/02	ENGINEER: MS	LOGGED IN: MW	TYPE: NSP	APP NO.: 216134852
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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

6.5.02
 Date

wcarr@hollandhart.com
 e-mail Address

RECEIVED
 JUN 11 2002
 SANTA FE, NM

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

June 5, 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

Re: Application of Yates Petroleum Corporation for administrative approval of a 169-acre non-standard gas spacing unit for its Spring Federal Well No. 3 located 660 feet from the South line and 990 feet from the West line of partial Section 4, 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 169-acre non-standard gas spacing and proration for the Spring Federal Well No. 3 to be comprised of all of partial Section 4, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico.

This well was drilled by Mesa Petroleum Company at a standard gas well location in the Abo formation 660 feet from the South line and 990 feet from the West line of Section 4 and, by Administrative Order NSP-1280 dated February 9, 1982, a non-standard 169-acre spacing unit in the Abo formation was approved for the well.

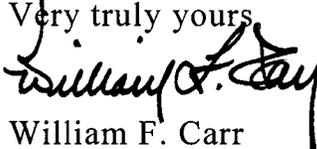
Yates has purchased the well and plans to deepen it to test the Strawn, Cisco and Wolfcamp formations. These formations are developed on 320-acre spacing pursuant to the general rules of the Division.

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
June 5, 2002
Page 2

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 which lie wholly within a single governmental section and are joined by a common side. Attached is a plat which 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 4, 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 were 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. 3
660 feet from the South line and 990 feet from the West line
169.00 acres (All of Partial Section 4)
Section 4, Township 6 South, Range 26 East, NMPM
Chaves County, New Mexico.

John D. Cadigan
Post Office Drawer F
Cashmere, Washington 98815

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

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

Exxon Mobil 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

Marshall & Winston
Post Office Box 50880
Midland, Texas 79701

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

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

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

Texaco Exploration and Production, Inc.
Post Office Box 3109
Midland, Texas 79701

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

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

William F. Carr

wcarr@hollandhart.com

June 5, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

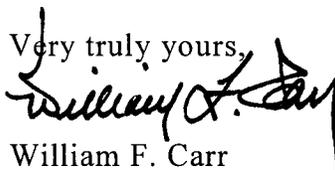
TO ALL AFFECTED INTEREST OWNERS:

Re: Application of Yates Petroleum Corporation for administrative approval of a 169-acre non-standard spacing unit in the Strawn, Cisco and Wolfcamp formations for its Spring Federal Well No. 3 located 660 feet from the South line and 990 feet from the West line of Section 4, 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 169-acre non-standard gas spacing and proration unit comprised of the all (Lots 1 through 4) of partial Section 4, 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. 3 to be recompleted in the Strawn, Cisco and Wolfcamp formations at a location 660 feet from the South line and 990 feet from West line of said Section 4.

As the owner of an interest which 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

CMD :
 OGSSECT
 INQUIRE LAND BY SECTION

06/12/02 18:57:52
 OGOMES -TQIX
 PAGE NO: 2

Sec : 04 Twp : 06S Rng : 26E Section Type : NORMAL

4	3	2	1
42.44	42.31	42.19	42.06
Federal owned	Fee owned	Federal owned	Federal owned
A			
4	3	2	1
42.44	42.31	42.19	42.06
Federal owned	Fee owned	Federal owned	Federal owned
A			

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
 PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

February 9, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mesa Petroleum Co.
Vaughn Building
Suite 1000
Midland, Texas 79701

Attention: R. E. Mathis

Administrative Order NSP-1280

Gentlemen:

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

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 4: All of Partial Section:

It is my understanding that this unit is to be dedicated to your Spring Federal Well No. 3 located 660 feet from the South line and 990 feet from the West line of said Section 4.

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

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Artesia