

9/8/06 DATE IN	9/8/06 SUSPENSE	W. JONES ENGINEER	9/11/06 LOGGED IN	SWD TYPE	APR NO. PTD 50625430335
-------------------	--------------------	----------------------	----------------------	-------------	-------------------------

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 \_\_\_\_\_

APF  
30-015-NA

- [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.**

_____ Print or Type Name	_____ Signature	_____ Title	_____ Date
_____ e-mail Address			

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



105 SOUTH FOURTH STREET  
APRESA, NEW MEXICO 88210-2118  
TELEPHONE (505) 481-1771

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

September 1, 2006

Will Jones  
State of New Mexico  
OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

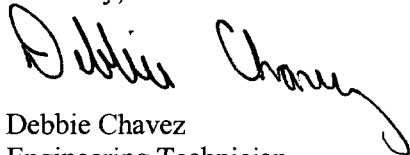
Re: Jester SWD #4

Dear Mr. Jones,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4, 12-24S-29E, Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,



Debbie Chavez  
Engineering Technician

Enclosures

**C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Jester SWD #4  
Unit C, 990 FNL & 1650 FWL, Sec.12, T24S, R29E  
Eddy County, New Mexico**

- I. The purpose of completing this well is to make a disposal well for produced Delaware Sand water into the Delaware Sand formation.**

**Yates Petroleum Corporation plans to drill this well as a water disposal well into the Delaware Sand.**

- II. Operator: Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210  
Margrethe Hotter (505) 748-4165**
- III. Well Data: See Attachment A**
- IV. This is not an expansion of an existing project.**
- V. See attached map, Attachment B.**
- VI. 1 plugged well within the area of review penetrate the proposed injection zone. (See Attachment C)**
- VII. 1. Proposed average daily injection volume approximately 2000 BWPD. Maximum daily injection volume approximately 3500 BWPD.**
- 2. This will be a closed system.**
- 3. Proposed average injection pressure –500 psi.  
Proposed maximum injection pressure –656 psi.**
- 4. Sources of injected water would be produced water from the Delaware Sand. (Attachment D)**
- VIII. 1. The proposed injection interval is the portion of the Delaware Sand formation consisting of porous Sandstone from estimated interval depths of 3280'-4250'.**

**Application for Authorization to Inject  
Jester SWD # 4**

**-2-**

- 2. Possible Fresh water zones overlie the proposed injection formations at depths to approximately 400' or less. There are no fresh water zones underlying the formation.**
- IX. The proposed disposal interval may be acidized with 7-1/2% HCL acid, or proppant fractured.**
- X. Logs will be filed at your office when the well is drilled.** ✓
- XI. There are one windmill within a one-mile radius of the subject location. Water sample attached (Attachment D).** ✓
- XII. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval. (Attachment G)** ✓
- XIII. Proof of notice.**
  - A. Certified letters sent to the surface owner and offset operators attached (Attachment E)**
  - B. Copy of legal advertisement attached. (Attachment F)**
- XIV. Certification is signed.**

**Yates Petroleum Corporation  
Jester SWD # 4  
C-12-T24S-R29E  
Eddy County, New Mexico**

**Attachment A**

**III. Well Data**

- A.**
1. Lease Name/Location  
Jester SWD # 4  
C-12-T24S-R29E  
990' FNL & 1650' FWL
  2. Casing Strings:
    - a. Proposed well condition  
13 3/8", 48# H-40 @ 500' w/425 sx (circ)  
9 5/8", 36# J-55 @ 3,200' w/1000 sx (circ).  
7" 23# J-55 @ 4,300' w/625 sx (circ)  
4 1/2" J55 plastic coated injection tubing @ +/- 3,180'  
Propose to use Guiberson or Baker plastic coated or nickel plated packer set at 3,180'.
    - b. Present Status:  
Well will be drilled as soon as an APD is approved.
- B.**
1. Injection Formation: Non productive Bell Canyon and U. Cherry Canyon Delaware Sands.
  2. Injection Interval will be through perforations from approximately 3,280'-4,250' gross interval.
  3. This well will be drilled as a disposal well.
  4. Perforations: High porosity sands between 3,280'-4,250'.
  3. Next higher (shallower) oil or gas zone within 2 miles-None.  
Next lower (deeper) oil or gas zone within 2 miles-Brushy Canyon.

WELL NAME: Jester SWD #3 FIELD: \_\_\_\_\_

LOCATION: Unit C, 990' FNL & 1650' FWL of Section 12-24S-29E Eddy County

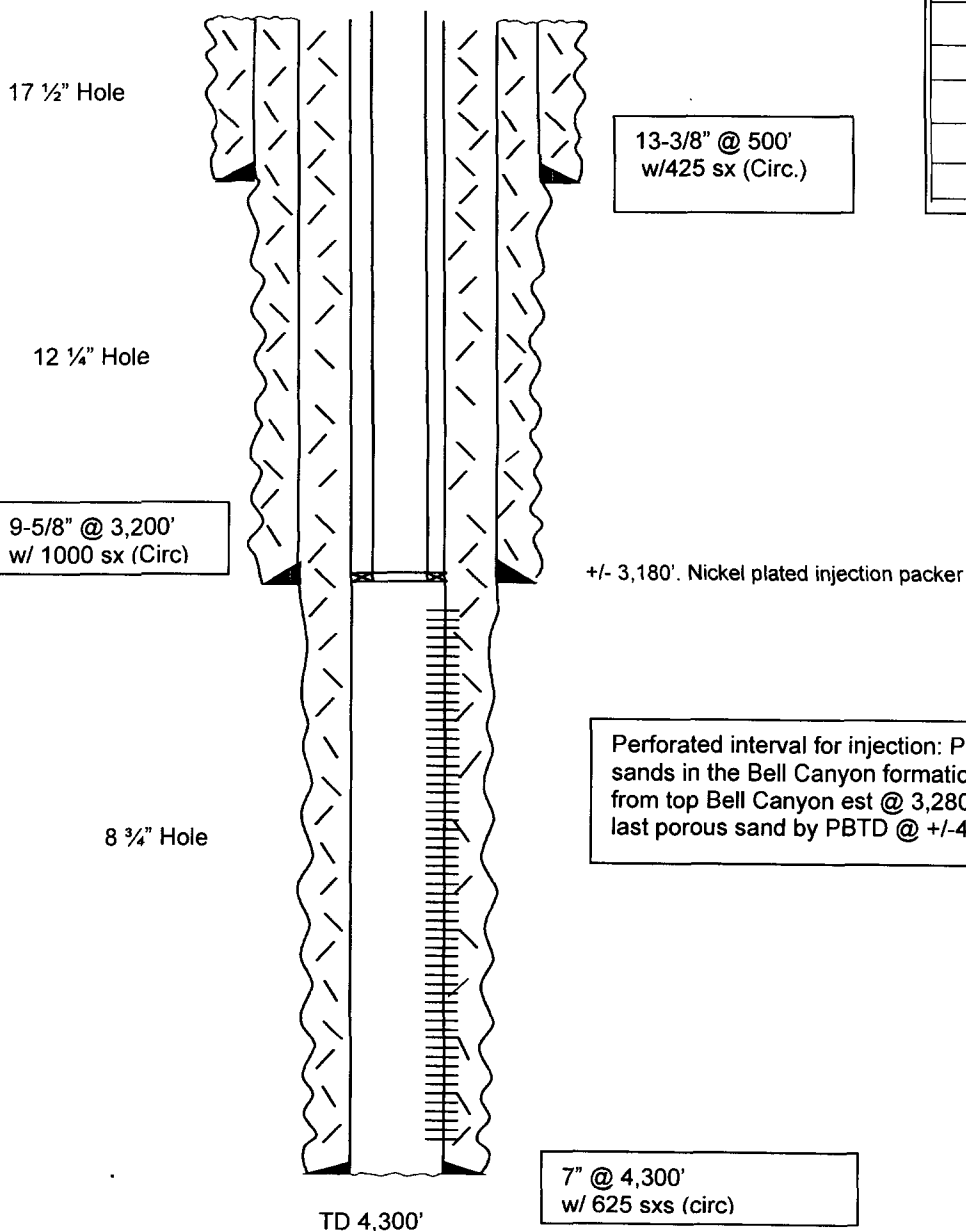
GL: 3090 ZERO: \_\_\_\_\_ KB: 3109

SPUD DATE: \_\_\_\_\_ COMPLETION DATE: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

#### CASING PROGRAM

13-3/8" 48# H40 ST&C	500'
9-5/8" 36# J55 ST&C	3,200'
7" 23# J55 LT &C	4,300'



Formation tops:	
Rustler	350'
Top of Salt	520'
Base of Salt	3,085'
Bell Canyon	3,280'

**Not to Scale**  
08/18  
MMFH

**WELL NAME:** Poche Fed #1 **FIELD:** \_\_\_\_\_

**LOCATION:** Unit H, 1980' FNL & 660' FWL of Section 11-24S-29E Eddy County

**GL:** 3084' **ZERO:** \_\_\_\_\_ **KB:** \_\_\_\_\_

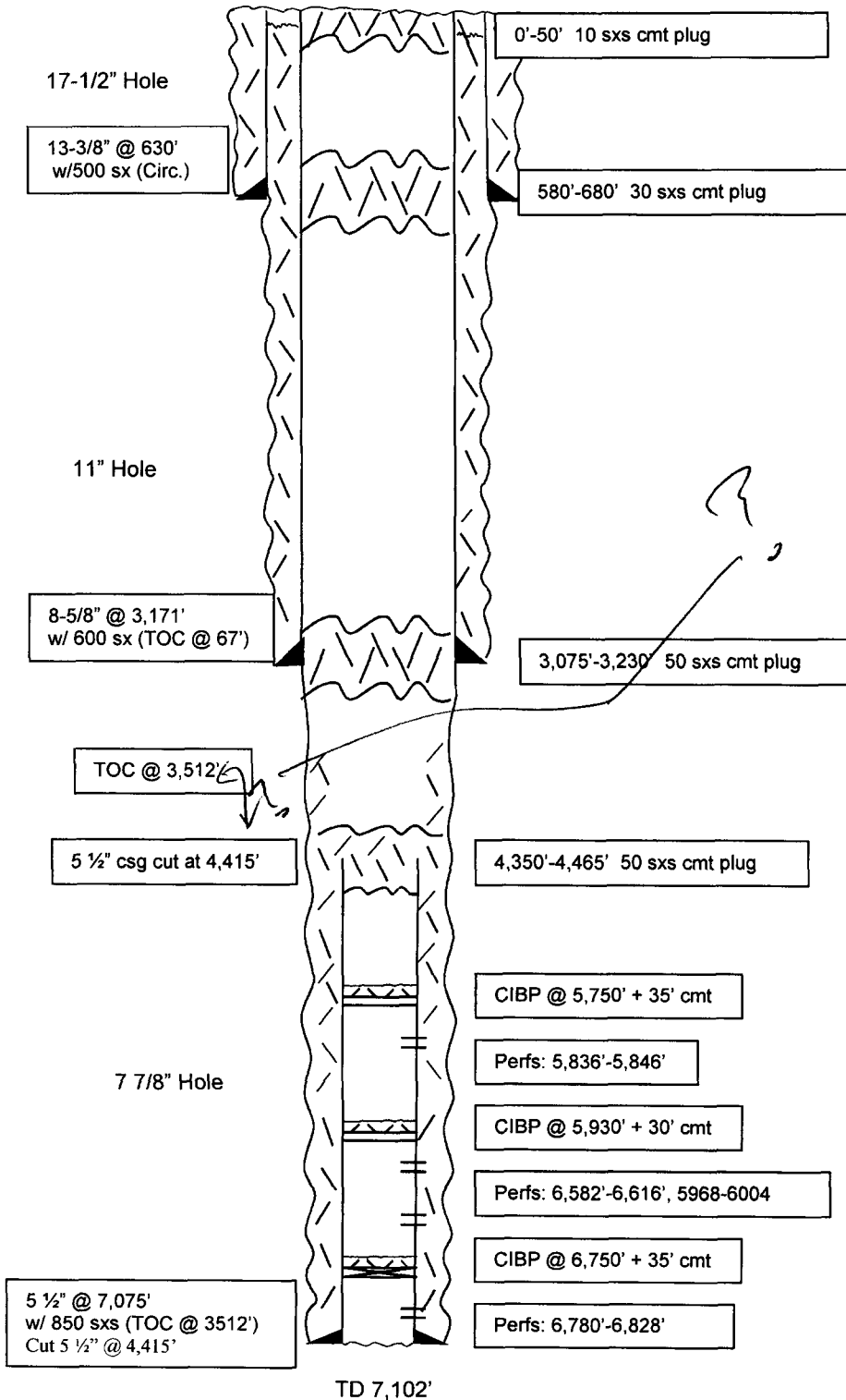
**SPUD DATE:** 2/24/83 **COMPLETION DATE:** P&A 7/21/84

**COMMENTS:** \_\_\_\_\_ Plugged & abandoned.

Drilled by Exxon Corp. Well now located on lease operated by  
Devon Energy Corporation. Never produced.

**CASING PROGRAM**

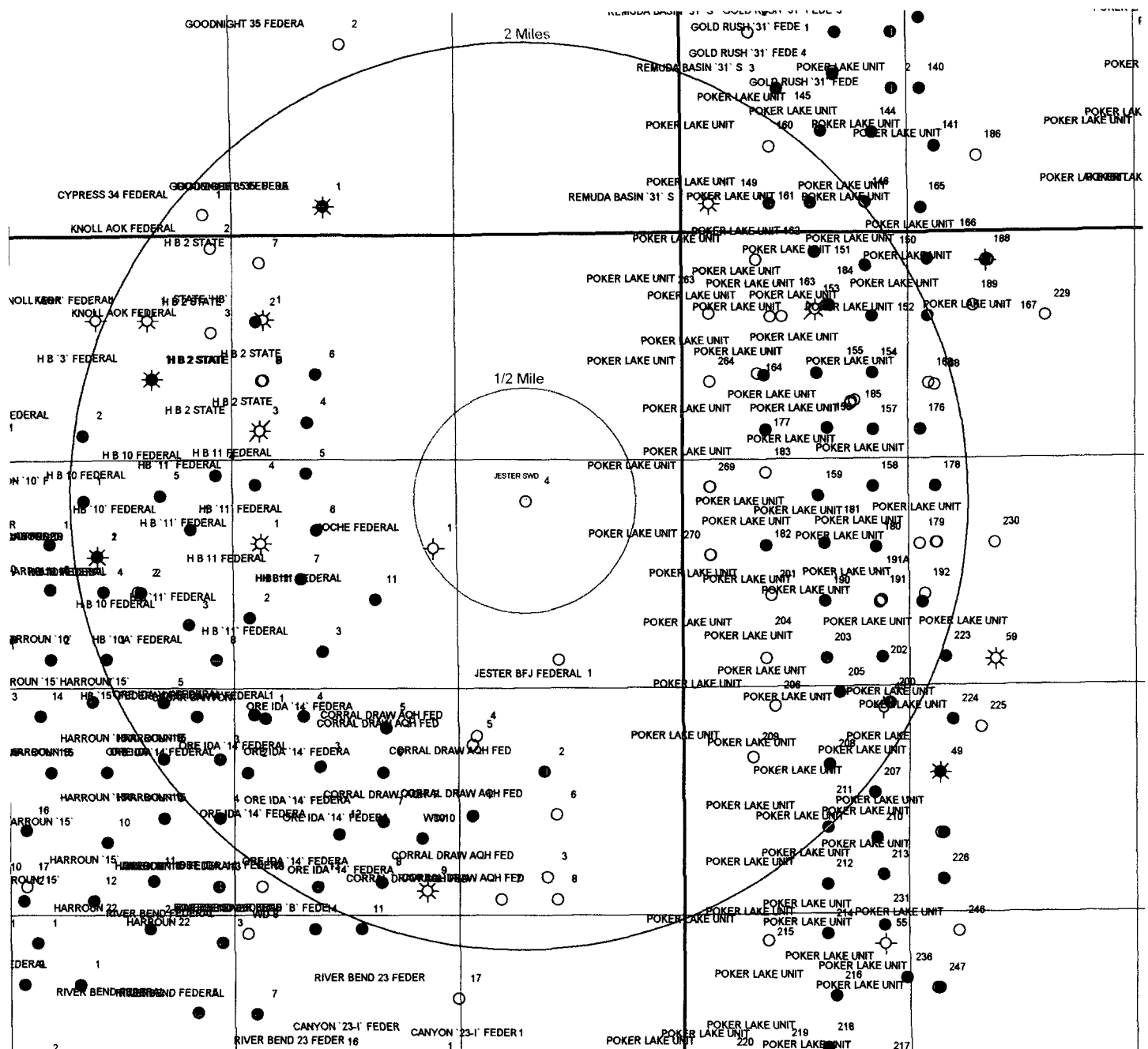
13-3/8" 48#	630'
8-5/8" 24# K55	3,171'
5 1/2" 17# K-55	7,075'



**P&A**  
**Well Bore**  
**Sketch**

**Not to Scale**  
08/06  
MMFH

## ATTACHMENT B



# YATES PETROLEUM

**J E S T E R S W D # 4**

**A u t h o r:**  
**D e b b i e C h a v e z**

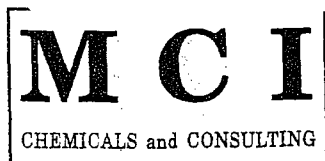
**Date:**  
18 August, 2006

M . H o t t e r

**Scale:**  
< scale >



## ATTACHMENT D

**MILLER CHEMICALS, INC.**

Post Office Box 298  
Artesia, N.M. 88211-0298  
(505) 746-1919 Artesia Office  
(505) 392-2893 Hobbs Office  
(505) 746-1918 Fax  
mci@plateautel.net

## WATER ANALYSIS REPORT

Company : YATES PETROLEUM  
Address : ARTESIA, NM  
Lease : CORRAL DRAW "AQH"  
Well : #2  
Sample Pt. : UNKNOWN

Date : 4/22/06  
Date Sampled : 4/20/06  
Analysis No. : 00873

ANALYSIS	mg/L	* meq/L
1. pH	6.2	
2. H <sub>2</sub> S	2	
3. Specific Gravity	1.120	
4. Total Dissolved Solids	214093.9	
5. Suspended Solids	NR	
6. Dissolved Oxygen	NR	
7. Dissolved CO <sub>2</sub>	NR	
8. Oil In Water	NR	
9. Phenolphthalein Alkalinity (CaCO <sub>3</sub> )		
10. Methyl Orange Alkalinity (CaCO <sub>3</sub> )		
11. Bicarbonate	HCO <sub>3</sub> 732.0	HCO <sub>3</sub> 12.0
12. Chloride	Cl 129930.0	Cl 3665.2
13. Sulfate	SO <sub>4</sub> 500.0	SO <sub>4</sub> 10.4
14. Calcium	Ca 2680.0	Ca 133.7
15. Magnesium	Mg 1629.1	Mg 134.0
16. Sodium (calculated)	Na 78621.5	Na 3419.8
17. Iron	Fe 1.3	
18. Barium	Ba NR	
19. Strontium	Sr NR	
20. Total Hardness (CaCO <sub>3</sub> )	13400.0	

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+			
134   *Ca <----- *HCO <sub>3</sub>   12	Ca (HCO <sub>3</sub> ) <sub>2</sub>	81.0 12.0	972
-----  /----->  -----	CaSO <sub>4</sub>	68.1 10.4	709
134   *Mg -----> *SO <sub>4</sub>   10	CaCl <sub>2</sub>	55.5 111.3	6177
-----  <-----/  -----	Mg (HCO <sub>3</sub> ) <sub>2</sub>	73.2	
3420   *Na -----> *Cl   3665	MgSO <sub>4</sub>	60.2	
+-----+	MgCl <sub>2</sub>	47.6 134.0	6380
Saturation Values Dist. Water 20 C	NaHCO <sub>3</sub>	84.0	
CaCO <sub>3</sub> 13 mg/L	Na <sub>2</sub> SO <sub>4</sub>	71.0	
CaSO <sub>4</sub> * 2H <sub>2</sub> O 2090 mg/L	NaCl	58.4 3419.8	199854
BaSO <sub>4</sub> 2.4 mg/L			

## REMARKS:

Sample of produced water to be injected into the Jester SWD#4

Attachment D



# MILLER CHEMICALS, INC.

Post Office Box 298  
Artesia, N.M. 88211-0298  
(505) 746-1919 Artesia Office  
(505) 392-2893 Hobbs Office  
(505) 746-1918 Fax  
mci@plateautel.net

## WATER ANALYSIS REPORT

Company : YATES PETROLEUM  
Address : ARTESIA, NM  
Lease : CORRAL DRAW "AQH"  
Well : #1  
Sample Pt. : WELLHEAD

Date : 5/2/06  
Date Sampled : 4/30/06  
Analysis No. : 00877

ANALYSIS		mg/L		* meq/L
1. pH	5.2			
2. H2S	0			
3. Specific Gravity	1.170			
4. Total Dissolved Solids		256386.6		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	207.0	HCO3	3.4
12. Chloride	Cl	159750.0	Cl	4506.3
13. Sulfate	SO4	500.0	SO4	10.4
14. Calcium	Ca	44000.0	Ca	2195.6
15. Magnesium	Mg	1729.5	Mg	142.3
16. Sodium (calculated)	Na	50170.1	Na	2182.3
17. Iron	Fe	30.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		117000.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+			
2196  *Ca <----- *HCO3   3	Ca (HCO3) 2	81.0	3.4 275
-----  /----->  -----	CaSO4	68.1	10.4 709
142  *Mg -----> *SO4   10	CaCl2	55.5	2181.8 121068
-----  <-----/  -----	Mg (HCO3) 2	73.2	
2182  *Na -----> *Cl   4506	MgSO4	60.2	
+-----+	MgCl2	47.6	142.3 6774
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	2182.3 127531
BaSO4 2.4 mg/L			

REMARKS:

Sample of produced water to be injected into the Jessie SWD #4



# MILLER CHEMICALS, INC.

Post Office Box 298  
 Artesia, N.M. 88211-0298  
 (505) 746-1919 Artesia Office  
 (505) 392-2893 Hobbs Office  
 (505) 746-1918 Fax  
 mci@plateautel.net

## WATER ANALYSIS REPORT

Company : YATES PETROLEUM Date : 8/21/06  
 Address : ARTESIA, NM Date Sampled : 8/21/06  
 Lease : 1 MILE SE OF JESTER Analysis No. : 00908  
 Well : WINDMILL  
 Sample Pt. : UNKNOWN

ANALYSIS		mg/L		* meq/L
1. pH	7.4			
2. H2S	0			
3. Specific Gravity	1.000			
4. Total Dissolved Solids		5249.5		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	281.0	HCO3	4.6
12. Chloride	Cl	2769.0	Cl	78.1
13. Sulfate	SO4	300.0	SO4	6.2
14. Calcium	Ca	400.0	Ca	20.0
15. Magnesium	Mg	97.4	Mg	8.0
16. Sodium (calculated)	Na	1402.1	Na	61.0
17. Iron	Fe	0.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		1400.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	=	mg/L
+-----+				
20   *Ca <----- *HCO3   5	Ca (HCO3) 2	81.0	4.6	373
-----  /----->  -----	CaSO4	68.1	6.2	425
8   *Mg -----> *SO4   6	CaCl2	55.5	9.1	505
-----  <-----/  -----	Mg (HCO3) 2	73.2		
61   *Na -----> *Cl   78	MgSO4	60.2		
+-----+	MgCl2	47.6	8.0	382
	NaHCO3	84.0		
Saturation Values Dist. Water 20 C	Na2SO4	71.0		
CaCO3 13 mg/L	NaCl	58.4	61.0	3564
CaSO4 * 2H2O 2090 mg/L				
BaSO4 2.4 mg/L				

REMARKS:

Water sample from windmill

# ATTACHMENT E

OFFICIAL

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.

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total P&c

Sent To Bepco LP  
 201 Main St  
 Forth Worth,  
 City, State: Re: Jester S

Bepco LP  
 201 Main Street  
 Forth Worth, TX 76102-3131  
 Re: Jester SWD #4

2. Article Number  
 (Transfer from service label)

7006 0100 0003 9638 8111

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

AUG 24 2006

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

If YES, enter delivery address below: ☐ No

S. P. YATES  
 AIRMAN OF THE BOARD  
 JOHN A. YATES  
 PRESIDENT  
 PEYTON YATES  
 CUTIVE VICE PRESIDENT  
 JODY G. PATTERSON  
 SECRETARY  
 ENNIS G. KINSEY  
 TREASURER

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Bepco LP  
 201 Main Street  
 Forth Worth, TX 76102-3131

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*[Signature]*

Margrethe Hotter  
 Area Engineer

Enclosures

0178 9636 ENNN N777 9NNJ

PS Form 3811, February 2004

**CERTIFIED**  
(Domestic Mail)

For delivery info

Postage

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

To:  
Talul Inc.  
P.O. Box 1210  
Graham, TX 76450

Sent  
P.O. Box 1210  
Graham, TX 76450

City: Re: Jester SWD #4

PS Form 3811, February 2004

**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:

Talus Inc.  
P.O. Box 1210  
Graham, TX 76450  
Re: Jester SWD #4

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
**X** *Kay Clayborn* ☐ Agent ☐ Addressee

B. Received by (Printed Name)  
*Kay Clayborn*

C. Date of Delivery

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

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

2. Article Number  
(Transfer from service label) **7006 0100 0003 9638 8173**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Talus Inc.  
P.O. Box 1210  
Graham, TX 76450

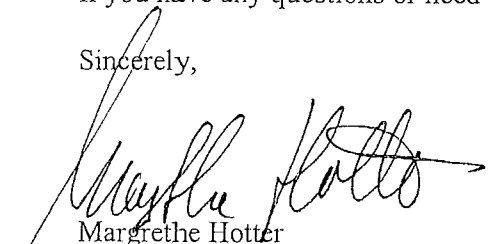
Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

  
Margrethe Hotter  
Area Engineer

Enclosures

**U.S. Postal Service**  
**CERTIFIED MAIL**  
 (Domestic Mail Only, No Ins.)  
 For delivery information visit us at [usps.com](http://usps.com)  
**OFFICE**

Postage \$ \_\_\_\_\_  
 Certified Fee \_\_\_\_\_  
 Return Receipt Fee (Endorsement Required) \_\_\_\_\_  
 Restricted Delivery Fee (Endorsement Required) \_\_\_\_\_  
 Total Postage and Fees \$ \_\_\_\_\_

Sent To: Latigo Petroleum Inc.  
 15 W. 6<sup>th</sup> Street #110  
 Tulsa, OK 74119  
 Re: Jester SWD #4

Street, Apt. or PO Box \_\_\_\_\_  
 City, State, ZIP+4 \_\_\_\_\_

PS Form 3811, February 2004

**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:**

Latigo Petroleum Inc.  
 15 W. 6<sup>th</sup> Street #110  
 Tulsa, OK 74119  
 Re: Jester SWD #4

**2. Article Number**

(Transfer from service if \_\_\_\_\_)

7006 0100 0003 9638 8159

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

*[Signature]* ☒ Agent ☐ Addressee  
 B. Received by (Printed Name) \_\_\_\_\_ Date of Delivery *2/5*

**D. Is delivery address different from item 1? ☒ Yes ☐ No**

If YES, enter delivery address below: \_\_\_\_\_

**3. Service Type**

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

**4. Restricted Delivery? (Extra Fee)**

☐ Yes

P. YATES  
 AN OF THE BOARD  
 N. A. YATES  
 PRESIDENT  
 TON YATES  
 VICE PRESIDENT  
 G. PATTERSON  
 SECRETARY  
 H. G. KINSEY  
 TREASURER

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Latigo Petroleum Inc.  
 15 W. 6<sup>th</sup> Street #110  
 Tulsa, OK 74119

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*[Signature]*

Margrethe Hotter  
 Area Engineer

Enclosures

2006 0100 0003 9638 8135



**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:

Twin Montana, Inc.  
P.O. Box 1210  
Graham, TX 76450  
Re: Jester SWD #4

2. Article Number  
(Transfer from service label)

7006 0100 0003 9638 8135

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Kay Clayton*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

8/24/11

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

If YES, enter delivery address below: ☐ No

P. YATES  
MAN OF THE BOARD  
N. A. YATES  
PRESIDENT  
TON YATES  
VICE PRESIDENT  
G. PATTERSON  
SECRETARY  
NIS G. KINSEY  
TREASURER

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Twin Montana, Inc.  
P.O. Box 1210  
Graham, TX 76450

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*Margrethe Hotter*  
Margrethe Hotter  
Area Engineer

Enclosures

7004 1350 0005 3317 9352

**U.S. Postal Service**  
**CERTIFIED MAIL**  
 (Domestic Mail Only)  
**RECEIVED BY US MAIL**  
**OFF**

Postage  
 Certified Fee  
 Return Receipt Fee  
 (Endorsement Required)  
 Restricted Delivery Fee  
 (Endorsement Required)

To  
 Bureau of Land Management  
 2909 2<sup>nd</sup> Street  
 Roswell, NM 88201

City, State or FPO

**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:

Bureau of Land Management  
 2909 2<sup>nd</sup> Street  
 Roswell, NM 88201

2. Article Number

(Transfer from service label)

7004 1350 0005 3317 9352

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

8/23/6

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

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

Bureau of Land Management  
 2909 2<sup>nd</sup> Street  
 Roswell, New Mexico 88201

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*Margrethe Hotter*

Margrethe Hotter  
 Area Engineer

Enclosures

S. P. YATES  
 CHAIRMAN OF THE BOARD  
 JOHN A. YATES  
 PRESIDENT  
 PEYTON YATES  
 EXECUTIVE VICE PRESIDENT  
 RANDY G. PATTERSON  
 SECRETARY  
 DENNIS G. KINSEY  
 TREASURER



**CERTIFIED MAIL**  
(Domestic Mail Only, No Insurance)

For delivery information visit [usps.com](http://usps.com)

**OFFICIAL**

Postage \$ \_\_\_\_\_

Certified Fee \_\_\_\_\_

Return Receipt Fee (Endorsement Required) \_\_\_\_\_

Restricted Delivery Fee (Endorsement Required) \_\_\_\_\_

Total \_\_\_\_\_

Sent by \_\_\_\_\_

Street or P.O. \_\_\_\_\_

City, St. \_\_\_\_\_

PS Form 3811, February 2004

**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:

The Allar Co.  
P.O. Box 1567  
Graham, TX 76450  
Re: Jester SWD #4

2. Article Number  
(Transfer from service label) **7006 0100 0003 9638 8142**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *X Kenneth Underwood* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Kenneth Underwood* C. Date of Delivery *8/24/06*

D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type  
☐ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

YATES  
IF THE BOARD  
YATES  
IDENT  
N YATES  
VICE PRESIDENT  
PATTERSON  
ETARY  
G. KINSEY  
SURER

The Allar Co.  
P.O. Box 1567  
Graham, TX 76450

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*Margrethe Hotter*  
Margrethe Hotter  
Area Engineer

Enclosures

**CERTIFIED MAIL**  
(Domestic Mail Only)

For delivery information, call 1-800-375-8777

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Price

Sent To

Street, Apt. or PO Box

City, State

PS Form 3800, June 2002

**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.

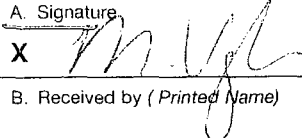
1. Article Addressed to:

Devon Energy  
20 N. Broadway, Ste 1500  
Oklahoma City, OK 73101-1678  
Re: Jester SWD #4

2. Article Number (Transit)

PS Form

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  ☐ Agent ☐ Addressee

X

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

☐ Certified Mail ☐ Express Mail

☐ Registered ☐ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
ANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

Devon Energy Production Co.  
20 N. Broadway, Ste 1500  
Oklahoma City, OK 73101-1678

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,



Margrethe Hotter  
Area Engineer

Enclosures

02595-02-M-1540

**CERTIFIED MAIL**  
(Domestic Mail Only) No Return Receipt

For delivery information visit **usps.gov**

Postage \$ \_\_\_\_\_

Certified Fee \_\_\_\_\_

Return Receipt Fee (Endorsement Required) \_\_\_\_\_

Restricted Delivery Fee (Endorsement Required) \_\_\_\_\_

Total \_\_\_\_\_

Sent To: **Chesapeake Exp**  
**P.O. Box 18496**  
**Oklahoma City, OK 73154-0496**  
**Re: Jester SWD**

PS Form 3811, December 1994

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

☐ Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.

☐ Print your name and address on the reverse of this form so that we can return this card to you.

☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.

☐ Write "Return Receipt Requested" on the mailpiece below the article number.

☐ The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: \_\_\_\_\_

**Chesapeake Exploration LP**  
**P.O. Box 18496**  
**Oklahoma City, OK 73154-0496**  
**Re: Jester SWD #4**

5. Received By: (Print Name) \_\_\_\_\_

6. Signature (Addressee or Agent) \_\_\_\_\_

7. Date of Delivery \_\_\_\_\_

8. Addressee's Address (Only if requested and fee is paid) \_\_\_\_\_

b. Service Type

☐ Registered

☐ Express Mail

☐ Return Receipt for Merchandise

☐ Certified

☐ Insured

☐ Registered Mail

7006 0100 0003 9638 8128

24 2006

PS Form 3811, December 1994 102595-99-B-0223 Domestic Return Receipt

S. P. YATES  
VIRMAN OF THE BOARD

JOHN A. YATES  
PRESIDENT

DEYTON YATES  
JUTIVE VICE PRESIDENT

EDY G. PATTERSON  
SECRETARY

ENNIS G. KINSEY  
TREASURER

Thank you for using Return Receipt Service.

Chesapeake Exploration LP  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

Re: Jester SWD #4

Dear Sirs,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Jester SWD #4 located in Unit C, Section 12-24S-29E of Eddy County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4165.

Sincerely,

*Margrethe Hotter*

Margrethe Hotter  
Area Engineer

Enclosures

# ATTACHMENT F

## Affidavit of Publication

NO. 19403

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The  
Artesia Daily Press, a daily newspaper of general  
circulation, published in English at Artesia, said county  
and county and state, and that the here to attached

### Legal Notice

was published in a regular and entire issue of the said  
Artesia Daily Press, a daily newspaper duly qualified  
for that purpose within the meaning of Chapter 167 of  
the 1937 Session Laws of the state of New Mexico for  
1 Consecutiv week/days on the same  
day as follows:

First Publication August 27 2006

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Subscribed and sworn to before me this

1st Day September 2006

Barbara Ann Boans

Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2007

## Copy of Publication:

### LEGAL NOTICE

tioned must file objec-  
tions or requests for a  
hearing with the Oil  
Conservation Division,  
1220 South Saint Francis  
Drive, Santa Fe, New  
Mexico 87505-5472,  
within 15 days. Additional  
information can be ob-  
tained by contacting  
Margrethe Hotter at (505)  
748-4165.  
Published in the Artesia  
Daily Press, Artesia,  
N.M. August 27, 2006.  
Legal 19403

### Legal Notice

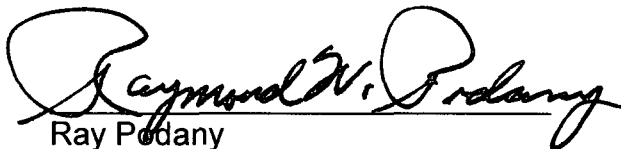
Yates Petroleum Corpo-  
ration, 105 south Fourth  
Street, Artesia, NM  
88210, has filed form  
C-108 (Application for  
Authorization to Inject)  
with the New Mexico Oil  
Conservation Division  
seeking administrative  
approval for an injection  
well. The proposed well  
Jester SWD #4, will be  
located 990' FNL & 1650'  
FWL, Unit C, Section 12,  
Township 24 South,  
Range 29 East of Eddy  
County, New Mexico, will  
be used for saltwater dis-  
posal. Produced waters  
from the Delaware Sand  
will be re-injected into  
the Delaware Sand at a  
depth of 3,280'-4,250'  
with a maximum pres-  
sure of 656 psi and a  
maximum rate of 3500  
BWPD.

All interested parties opo-  
sosing the aforemen-

**Attachment G**

C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Jester SWD #4  
Unit C, Section 12 T24S-R29E  
Eddy County, New Mexico

Available engineering and geological data have been examined and no evidence of open faults of hydrologic connection between the disposal zone and any underground sources of drinking water has been found.

A handwritten signature in black ink, reading "Raymond W. Podany". The signature is written in a cursive style with a large initial "R".

Ray Podany  
Geologist  
Yates Petroleum Corporation

8-21-2006  
Date

Letters of notification sent to:

1. BLM (Surface owner)
2. Operators:
  - a. Bepco LP  
201 Main St  
Forth Worth, TX  
76102-3131
  - b. Devon Energy Production CO.  
20 N Broadway, Suite 1500  
Oklahoma City, OK 73101-1678
  - c. Chesapeake Exploration LP  
P.O Box 18496  
Oklahoma City, OK 73154-0496
  - d. Latigo Petroleum Inc  
15 W 6<sup>th</sup> St #1100  
Tulsa, OK 74119
  - e. Talus Inc  
P.O Box 1210  
Graham, TX 76450
  - f. The Allar Co  
P.O Box 1567  
Graham, TX 76450
  - g. Twin Montana Inc.  
P.O Box 1210  
Graham, TX 76450

## Inactive Well List

**Total Well Count:3091 Inactive Well Count:2 Since:7/3/2005**

**Printed On: Tuesday, September 26 2006**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-23379	COOLADE BJJ STATE #001	K-19-11S-35E	K	25575	YATES PETROLEUM CORPORATION	S	O	01/1995			
2	30-015-26356	HILL VIEW AHE FEDERAL COM #004	J-23-20S-24E	J	25575	YATES PETROLEUM CORPORATION	F	O	02/2001			

WHERE Ogrid:25575, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

# Injection Permit Checklist

SWD Order Number \_\_\_\_\_ Dates: Division Approved \_\_\_\_\_ District Approved \_\_\_\_\_

Information Request Letter or Email sent \_\_\_\_\_

Well Name/Num: Jeter SWD #4 Date Spudded: \_\_\_\_\_

API Num: (30-) 015-NA County: EDDY

Footages 990FNL/1650FWL Sec 12 sp 24S Rge 29E

Operator Name: Yates PETROLEUM CORPORATION Contact DEBBIE CHAVEZ

Operator Address: 105 SOUTH FOURTH STREET ARTESIA NM 88210-2118

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	<u>17 1/2 - 13 5/8</u>	<u>500</u>	<u>425</u>	<u>CIRC</u>
Intermediate	<u>12 1/4 - 9 5/8</u>	<u>3200'</u>	<u>1000</u>	<u>CIRC</u>
Production	<u>8 3/4 - 7 1/1</u>	<u>4300'</u>	<u>625</u>	<u>CIRC</u>
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion \_\_\_\_\_ After Conversion \_\_\_\_\_

Checks (Y/N): Well File Reviewed \_\_\_\_\_ ELogs in Imaging \_\_\_\_\_

Intervals:	Depths	Formation	Producing (Yes/No)
<del>Salt/Potash</del>	<u>520-3085'</u>		
Capitan Reef	<u>1</u>		
Cliff House, Etc:			
Formation Above	<u>?</u>		
Top Inj Interval	<u>3280</u>	<u>(Belle Canyon) Delta</u>	<u>XFS</u>
Bottom Inj Interval	<u>4250</u>	<u>(Older than Belle Canyon)</u>	<u>XFS</u>
Formation Below			

656 PSI Max. WHIP  
NO Open Hole (Y/N)  
NO Deviated Hole (Y/N)

Fresh Water Site Exists (Y/N) Yes Analysis Included (Y/N) Yes (5250 TDS)

Salt Water Analysis: Injection Zone (Y/N/NA) Yes Disposal Waters (Y/N/NA) Yes Types: Delaware (YUCKY)

Affirmative Statement Included (Y/N): \_\_\_\_\_ Newspaper Notice Adequate (Y/N) Yes Well Table Adequate (Y/N) Yes

Surface Owner BLM Noticed (Y/N) Yes Mineral Owner(s) BLM etc

AOR Owners: Cherokee, BLM, BLM, Talus, Largo, MONTANA, BLM, ALLARCO. Noticed (Y/N) \_\_\_\_\_

CID/Potash/Etc Owners: \_\_\_\_\_ Noticed (Y/N) \_\_\_\_\_

AOR Num Active Wells 0 Repairs? \_\_\_\_\_ Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 1 Repairs? \_\_\_\_\_ Diagrams Included? Yes

Data to Generate New AOR Table

NO New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite			
Northeast			
North			
Northwest			
West			
Southwest			
South			
Southeast			
East			

Conditions of Approval:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

RBDMS Updated (Y/N) \_\_\_\_\_

UIC Form Completed (Y/N) Yes

This Form completed 9/26/06