

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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

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

RECEIVED

OCT 10 2006

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

October 6, 2006

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

Re: Cleary AKC Federal #2

Dear Mr. Jones,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Cleary AKC Federal #2 located in Unit D of Section 17, T22S-32E, Lea County, New Mexico.

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

Sincerely,

Debbie Chavez  
Engineering Technician

DEBE@YPCNM.COM

Enclosures

**C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Cleary AKC Fed #2  
Unit D, 330 FNL & 330 FWL, Sec. 17, T22S, R32E  
Lea 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 convert this well to 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. There are 4 wells within the area of review that penetrate the proposed injection zone (See Attachment C).**
- VII. 1. Proposed average daily injection volume approximately 2500 BHPD. Maximum daily injection volume approximately 5000 BHPD.**
- 2. This will be a closed system.**
- 3. Proposed average injection pressure –unknown.  
Proposed maximum injection pressure – 964 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 depths of 4,821'- 6,080'.**

**Application for Authorization to Inject  
Cleary AKC Fed #2**

**-2-**

- 2. Possible Fresh water zones overlies the proposed injection formations at depths to approximately 850' 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 were filed at your office when the well was drilled.**
- XI. There are no windmills within a one-mile radius of the subject location.**
- 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  
Cleary AKC Fed #2  
D-17-T22S-R32E  
Lea County, New Mexico**

**Attachment A**

III. Well Data

- A. 1. Lease Name/Location  
Cleary AKC Fed #2  
D-17-T22S-R32E  
330' FNL & 330' FWL
2. Casing Strings:
- a. Present well condition  
13 3/8", 54.5# J-55 @ 862' w/800 sx (circ)  
8 5/8", 32# J-55 @ 4,528' w/1800 sx (circ).  
5 1/2", 15.5# & 17# @ 8,740' w/775 sx  
TOC @ 4530'
- b. Present Status:  
Non-commercial completion in Delaware at 5,776'-94', 6,465'-68',  
6,807'-11', 6,814'-28', 6,868'-74', 7,044'-50', 7,244'-58', 7,290'-92',  
7,430'-78', 8,554'-96', 8,610'-18'.  
CIBP @ 6780' + 35' cmt
3. Proposed well condition:  
Casing same as above.  
3 1/2" 9.3 J55 or 2-7/8" 6.5 J55 plastic-coated injection tubing @ 4820'
4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 4820'.
- B. 1. Injection Formation: Delaware Sands (Bell Canyon & Upper Cherry Canyon.)
2. Injection Interval will be through perforations from approximately 4821'-6,080' gross interval.
3. Well was originally drilled as a Livingstone Ridge and Brushy Canyon oil well. Well will be a Bell Canyon and Upper Cherry Canyon Sand water disposal well (4,821'-6,080') when work is completed.
4. Perforations: High porosity sands between 4822'-6,080'.
5. 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: Cleary AKC Fed #2 FIELD: Livingstone Ridge, Delaware East

LOCATION: 330' FNL & 330' FWL Sec. 17-22S-32E Lea County

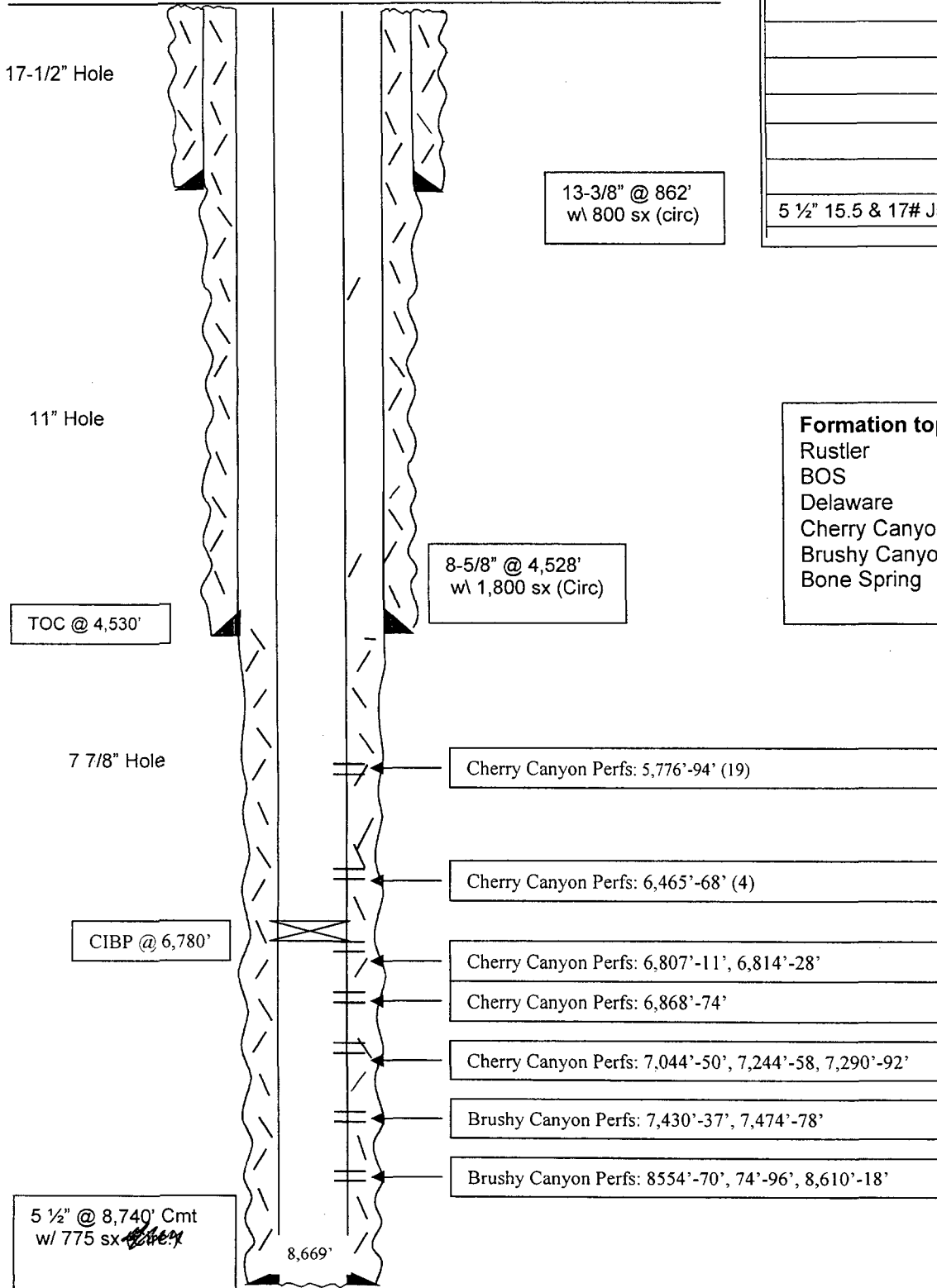
GL: 3,716' ZERO: KB: 3,736'

SPUD DATE: 12/13/04 COMPLETION DATE: 03/02/05

COMMENTS: API No. 30-025-31926

#### CASING PROGRAM

13-3/8" 54.5# J55 ST&C	862'
8-5/8" 32# J55 ST&C	4,528'
5 1/2" 15.5 & 17# J55 LT&C	8,740'



**Before**

#### Formation tops:

Rustler : 851'  
BOS : 4424'  
Delaware : 4721'  
Cherry Canyon : 5696'  
Brushy Canyon : 7454'  
Bone Spring : 8633'

TD 8,740'

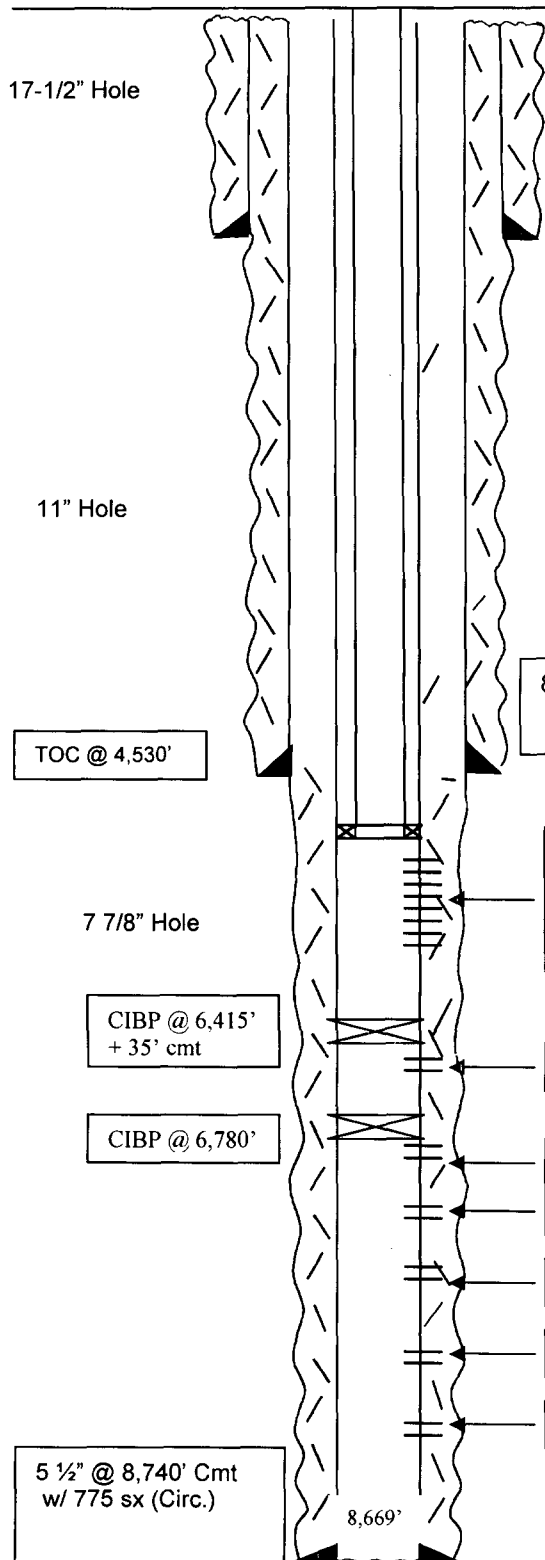
**Not to Scale**

09/11/06  
MMFH

**WELL NAME:** Cleary AKC Fed #2      **FIELD:** Livingstone Ridge, Delaware East  
**LOCATION:** 330' FNL & 330' FWL Sec. 17-22S-32E      Lea County  
**GL:** 3,716'    **ZERO:**      **KB:** 3,736'  
**SPUD DATE:** 12/13/04    **COMPLETION DATE:** 03/02/05  
**COMMENTS:** API No. 30-025-31926

### CASING PROGRAM

13-3/8" 54.5# J55 ST&C	862'
8-5/8" 32# J55 ST&C	4,528'
5 1/2" 15.5 & 17# J55 LT&C	8,740'



13-3/8" @ 862'  
w/ 800 sx (circ)

8-5/8" @ 4,528'  
w/ 1,800 sx (Circ)

**After**

### Formation tops:

Rustler : 851'  
 BOS : 4424'  
 Delaware : 4721'  
 Cherry Canyon : 5696'  
 Brushy Canyon : 7454'  
 Bone Spring : 8633'

**Perforated interval for injection:** Porous sands in the Bell Canyon and Upper Cherry Canyon formation, from top Bell Canyon est @ 4,721' to 6,080'

Cherry Canyon Perfs: 6,465'-68' (4)

Cherry Canyon Perfs: 6,807'-11', 6,814'-28'

Cherry Canyon Perfs: 6,868'-74'

Cherry Canyon Perfs: 7,044'-50', 7,244'-58, 7,290'-92'

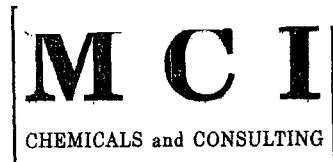
Brushy Canyon Perfs: 7,430'-37', 7,474'-78'

Brushy Canyon Perfs: 8554'-70', 74'-96', 8,610'-18'

**Not to Scale**

09/11/06  
MMFH

## 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 : KIWI "AKX"  
Well : #10  
Sample Pt. : UNKNOWN

Date : 9/22/06  
Date Sampled : 9/20/06  
Analysis No. : 00913

ANALYSIS	mg/L	* meq/L
1. pH	5.3	
2. H2S	0	
3. Specific Gravity	1.160	
4. Total Dissolved Solids	296923.2	
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 183180.0	Cl 5167.3
13. Sulfate	SO4 250.0	SO4 5.2
14. Calcium	Ca 31200.0	Ca 1556.9
15. Magnesium	Mg 1283.8	Mg 105.6
16. Sodium (calculated)	Na 80772.4	Na 3513.4
17. Iron	Fe 30.0	
18. Barium	Ba NR	
19. Strontium	Sr NR	
20. Total Hardness (CaCO3)	83200.0	

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+			
1557   *Ca <----- *HCO3   3	Ca (HCO3) 2	81.0 3.4	275
-----  /----->  -----	CaSO4	68.1 5.2	354
106   *Mg -----> *SO4   5	CaCl2	55.5 1548.3	85914
-----  <-----/  -----	Mg (HCO3) 2	73.2	
3513   *Na -----> *Cl   5167	MgSO4	60.2	
+-----+	MgCl2	47.6 105.6	5028
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4 3513.4	205322
BaSO4 2.4 mg/L			

REMARKS:

Attachement D.  
Example of Produced water  
to be disposed into the Cleary





PS Form 3811, February 2004

**CERTIFIED MAIL**  
Domestic Mail Only. No Insured

**ATTACHMENT E**

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

**OFFICIAL**

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

Sent by  
Pogo Producing Company  
P.O. Box 10340  
Midland, TX 79702-7340

- Print your name and address on the back 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:  
  
Pogo Producing Company  
P.O. Box 10340  
Midland, TX 79702-7340

Cleary #2

2. Article Number  
(Transfer from service label)

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

Signature

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name) \_\_\_\_\_  
C. Date of Delivery \_\_\_\_\_  
D. Is delivery address different from item? ☐ 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

7006 0100 0003 9638 6582

Domestic Return Receipt

102595-02-M-1540

Pogo Producing Company  
P.O. Box 10340  
Midland, TX 79702-7340

Re: Cleary AKC Federal #2

Dear Sirs:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Cleary AKC Federal #2, Unit D, 17-22S-32E, Lea County, New Mexico.

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

Sincerely,

*Debbie Chavez*

Debbie Chavez  
Engineering Technician

Enclosures

# ATTACHMENT F

## Affidavit of Publication

NO. 19441

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 October 1 2006

Second Publication

Third Publication

Fourth Publication

Gary D. Scott  
Subscribed and sworn to before me this

4th Day October 2006

Barker Anne Boers

Notary Public, Eddy County, New Mexico

My Commission expires September :23, 2007

## Copy of Publication:

### LEGAL NOTICE

the Cleary AKC Fed #2  
located 330' FNL & 330'  
FWL, Unit D, Section 17,  
Township 22 South,  
Range 32 East of Lea  
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 4821'-6,080'  
with a maximum  
pressure of 964 psi and  
a maximum rate of 5000  
BWPD.

All interested parties op-  
posing the aforemen-  
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. October 1, 2006.

Legal 19441

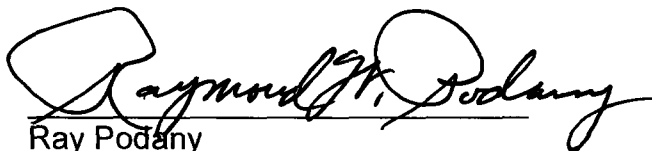
### Legal Notice

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

**Attachment G**

C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Cleary AKC Fed #2  
Unit D, Section 17-T22S-R32E  
Lea 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.



Ray Podany

Geologist

Yates Petroleum Corporation

9-26-06  
Date



## Attachment "C"

Cleary AKC Fed #2  
Form C-108

Tabulation of data on wells within area of review

Well Name	Operator	Type	Spud	Total Depth Zone	Producing Zone	Perforations	Completion Information
EAST LIVINGSTON RIDGE UNIT #1 660FNL & 990FEL Sec 18 22S 32E	Pogo Producing Co	Oil	9/29/1992	8780' Brushy Canyon	6,762'-6,771'	6,762'-6,771'	13 3/8" @ 862' Cmtd w/900 sx (circ) 8 5/8" @ 4,494' Cmtd w/1750 sx (circ) 5 1/2" @ 8,780' Cmtd w/1540 sx TOC @ 486'
EAST LIVINGSTON RIDGE UNIT #5 330FSL & 1650FEL Sec 7 22S 32E	Pogo Producing Co	Oil	12/12/1997	7350' Delaware	6,722'-6,746' 7,106'-7,120'	6,722'-6,746' 7,106'-7,120'	10 3/4" @ 655' Cmtd w/650 sx (circ) 5 1/2" @ 7,350' Cmtd w/2120 sx (circ) TOC @ surface
EAST LIVINGSTON RIDGE UNIT #6 660FSL & 990FEL Sec 7 22S 32E	Pogo Producing Co	Oil	12/9/1995	7400' Delaware	6,724'-6,742'	6,724'-6,742'	8 5/8" @ 848' Cmtd w/350 sx (circ) 5 1/2" @ 7,400' Cmtd w/2730 sx (circ) TOC @ surface
EAST LIVINGSTON RIDGE UNIT #12 1980FSL & 990FEL Sec 7 22S 32E	Pogo Producing Co	Oil	10/22/1996	7364' Brushy Canyon	6,976'-6,992'	6,976'-6,992'	8 5/8" @ 718' Cmtd w/375 sx (circ) 5 1/2" @ 7,364' Cmtd w/3100 sx (circ) TOC @ surface

*(Could find no evidence of DV Test Intakes well)*

# Injection Permit Checklist

SWD Order Number 1054 Dates: Division Approved \_\_\_\_\_ District Approved \_\_\_\_\_  
 Information Request Letter or Email sent \_\_\_\_\_  
 Well Name/Num: Cleary AKC Federal #2 Date Spudded: 12/13/04 Lot 2  
 API Num: (30-) 025-31926 County: LEA  
 Footages 330 FNL/330 FWL Sec 17 Tsp 22S Rge 32E  
 Operator Name: Vista Petroleum Corp Contact Margaretta Hollar  
 Operator Address: 105 South Fourth St. ARTESIA NM 88210

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	13 3/8	862	800	CIRC
Intermediate	8 5/8	4528	1800	CIRC
Production	5 1/2	8740	715	4530'
Last DV Tool				
Open Hole/Liner				
Plug Back Depth		2 at 3 1/2'	TUBING @ 4820'	

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒

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

Now - Commercial Completion  
 FROM 5776.4, 8618  
 CIBP @ 6780  
 Broshy C.

Intervals:	Depths	Formation	Producing (Yes/No)
<u>Salt/Potash</u>	<u>851-4424</u>		
<u>Capitan Reef</u>			
<u>Gliff House, Etc.</u>			
Formation Above			
Top Inj Interval	<u>4821</u>	<u>Delaware</u>	
Bottom Inj Interval	<u>6080</u>	<u>Delaware</u>	
Formation Below			

964 PSI Max. WHIP  
 Open Hole (Y/N) \_\_\_\_\_  
 Deviated Hole (Y/N) \_\_\_\_\_

Fresh Water Site Exists (Y/N) Nowells Analysis Included (Y/N): No

Salt Water Analysis: Injection Zone (Y/N/NA) Same Disposal Waters (Y/N/NA) \_\_\_\_\_ Types Delaware

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

Surface Owner BLM Noticed (Y/N) ☒ Mineral Owner(s) \_\_\_\_\_

AOR Owners: Pogo Noticed (Y/N) \_\_\_\_\_

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

AOR Num Active Wells 4 Repairs? \_\_\_\_\_ Producing in Injection Interval in AOR 10

AOR Num of P&A Wells 0 Repairs? ☒ Diagrams Included? \_\_\_\_\_

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) \_\_\_\_\_

This Form completed \_\_\_\_\_