

DATE IN 5/13/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 5/14/08	TYPE SWD	APP NO. PKVR0813533284
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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] ☒ X Offset Operators, Leaseholders or Surface Owner

[C] ☒ X 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.

Margrethe Hotter

Print or Type Name

Signature

Area Engineer

Title

4/8/08

Date

mhotter@ypcnm.com  
 e-mail Address

RECEIVED  
 2008 MAY 13 PM 2 42

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

S.P. YATES  
CHAIRMAN EMERITUS  
JOHN A. YATES  
CHAIRMAN OF THE BOARD  
FRANK YATES, JR.  
PRESIDENT  
PEYTON YATES  
DIRECTOR  
JOHN A. YATES, JR.  
DIRECTOR

March 31, 2008

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

RECEIVED  
2008 MAY 13 PM 2 42

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, ~~Section 16-T23S-R28E~~ and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

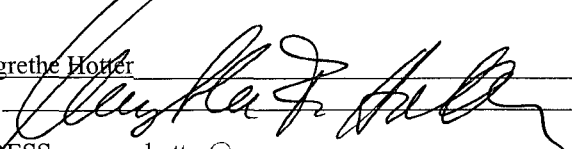
Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

  
Margrethe Hotter  
Operations Engineer

Enclosures

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: \_\_\_\_\_ Secondary Recovery \_\_\_\_\_ Pressure Maintenance   X   Disposal \_\_\_\_\_ Storage  
Application qualifies for administrative approval? \_\_\_\_\_ Yes \_\_\_\_\_ No
- II. OPERATOR: Yates Petroleum Corporation  
ADDRESS: 105 South Fourth Street  
CONTACT PARTY: Margrethe Hotter PHONE: (575) 748-4164
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? \_\_\_\_\_ Yes   X   No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Margrethe Hotter TITLE: Operation Engineer  
SIGNATURE:  DATE: 3/31/08  
E-MAIL ADDRESS: mhotter@ypcnm.com
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

**C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Loving SWD #2  
Unit J, 2080 FSL & 2040 FEL, Sec. 16, T23S, R28E  
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 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 (575) 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 1000 BWPD. Maximum daily injection volume approximately 5000 BWPD.**
- 2. This will be a closed system.**
- 3. Proposed average injection pressure –unknown.  
Proposed maximum injection pressure – 520 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 2,590'-3,780'.**

**Application for Authorization to Inject  
Loving SWD #2**

**-2-**

- 2. Possible Fresh water zones overlie the proposed injection formations at depths to approximately 400'. 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 is one fresh water wells within a one-mile radius of the subject location (see water sample analysis in 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  
Loving SWD #2  
J-16-T23S-R28E  
Eddy County, New Mexico**

**Attachment A**

III. Well Data

- A. 1. Lease Name/Location  
Loving SWD #2  
(prev. Loving AIB St #2)  
J-16-T23S-R28E  
2080' FSL & 2040' FEL
2. Casing Strings:
- a. Present well condition  
9 5/8" 36# J-55 @ 524 w/275 sx (circ)  
5 1/2" 15.5# J-55 @ 6225' w/Stage 1: 350sx (circ). Stage 2: 1500  
sx. DV toll @ 4240'  
TOC @ 2522'
- b. Present Status:  
Non-commercial completion in Brushy Canyon Delaware from  
5788'-5796', 5816'-5826', 5832'-5838', 5898'-5903', 5914'-5920',  
603'2, 6039', 6048', 6054'.
3. Proposed well condition:  
Casing same as above. Will circulate cement from 2522' to surface  
behind casing. Set a CIBP @ 5738' w/ 35' cmt, above current Brushy  
Canyon perforations. 3 1/2" 9.3 J55 or 2-7/8" 6.5 J55 plastic-coated  
injection tubing @ 2490'
4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer  
set at 2,490'.
- B. 1. Injection Formation: Delaware Sands (Bell Canyon & Upper Cherry  
Canyon.)
2. Injection Interval will be through perforations from approximately  
2,590'-, 3,780' gross interval.
3. The well is currently an uneconomic Brushy Canyon oil well. Well will be a  
Bell Canyon and Upper Cherry Canyon Sand water disposal well (2,590'-  
3,780') when work is completed.
4. Perforations: High porosity sands between 2,590'-3,780'.
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: Loving SWD #2 FIELD: Loving Delaware

LOCATION: 2080' FSL & 2040' FEL Sec 16-23S-28E Eddy County

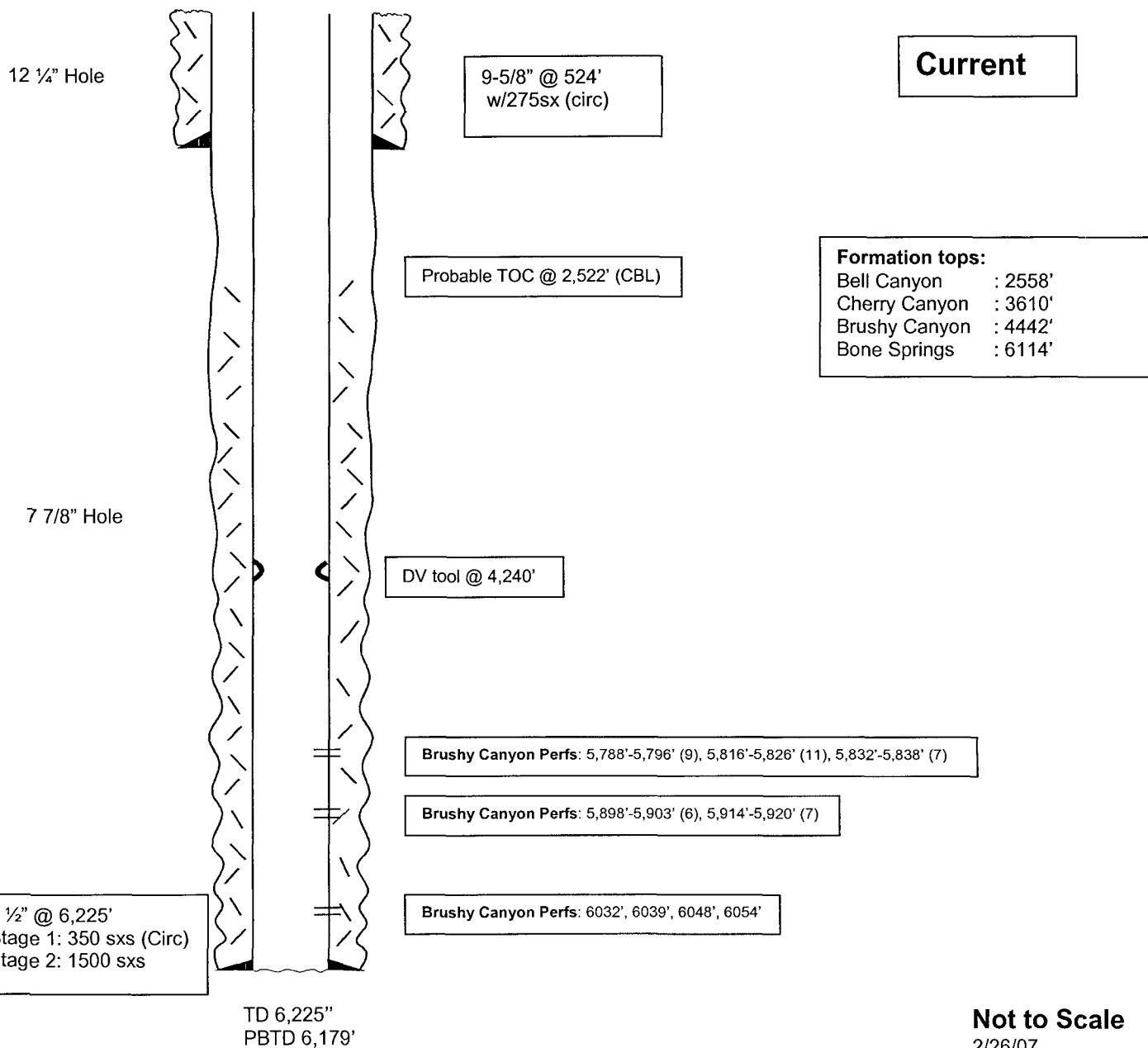
GL: 3,016' ZERO: 8 KB: 3,024'

SPUD DATE: 11/04/90 COMPLETION DATE: 1/18/91

COMMENTS: API No. 30-015-26497

#### CASING PROGRAM

9-5/8" 36# J-55 ST&C	524'
5 1/2" 15.5# J55 LT &C	6,225'



WELL NAME: Loving SWD #2 FIELD: Loving Delaware

LOCATION: 2080' FSL & 2040' FEL Sec 16-23S-28E Eddy County

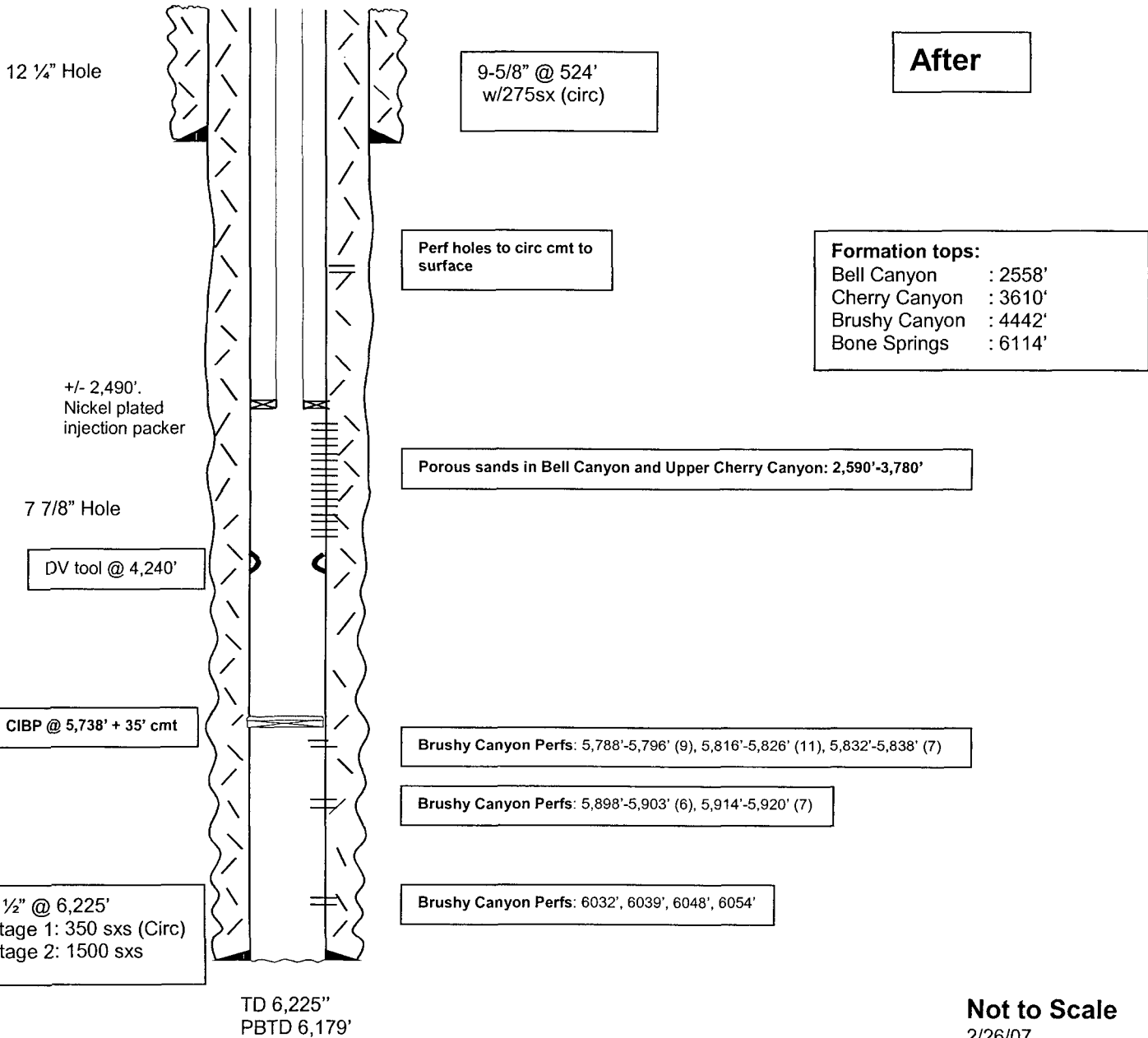
GL: 3,016' ZERO: 8 KB: 3,024'

SPUD DATE: 11/04/90 COMPLETION DATE: 1/18/91

COMMENTS: API No. 30-015-26497

#### CASING PROGRAM

9-5/8" 36# J-55 ST&C	524'
5 1/2" 15.5# J55 LT &C	6,225'





Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED

NOV 14 '90

WELL API NO. 30-015-26497
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3346

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" ARTESIA OFFICE  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Loving AIB State
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471	8. Well No. 2
3. Address of Operator 105 South 4th St., Artesia, New Mexico 88210	9. Pool name or Wildcat South Loving Delaware
4. Well Location Unit Letter <u>J</u> : <u>2080</u> Feet From The <u>South</u> Line and <u>2040</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>23S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3016' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☒  
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded 18" hole 10:45 AM 11-4-90. Notified NMOC, Artesia, of spud. Resumed drilling 12-1/4" hole 11:30 PM 11-5-90. Ran 12 joints 9-5/8" 36# J-55 ST&C casing set 524'. Guide shoe set 524', insert float set 583'. Cemented w/275 sx Class C w/2% CaCl2 (yield 1.32, wt 14.8). PD 10:00 PM 11-6-90. Bumped plug to 500 psi, float held okay. Cement circulated 35 sacks. WOC. NU and tested to 1000 psi for 30 mins. Drilled out 2:45 PM 11-7-90. WOC 16 hrs and 45 minutes. Reduced hole to 7-7/8". Drilled plug and resumed drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 11-12-90  
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-147

(This space for State Use)

ORIGINAL SIGNED BY  
MIKE WILLIAMS

NOV 16 1990

APPROVED BY SUPERVISOR, DISTRICT II TITLE  DATE

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DEC 11 '90

WELL API NO. 30-015-26497
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3346
7. Lease Name or Unit Agreement Name Loving AIB State
8. Well No. 2
9. Pool name or Wildcat South Loving Delaware
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3016' GR

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471
3. Address of Operator 105 South 4th St., Artesia, New Mexico 88210

4. Well Location Unit Letter J : 2080 Feet From The South Line and 2040 Feet From The East Line Section 16 Township 23S Range 28E NMPM Eddy County
--

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> COMMENCE DRILLING CPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TD 6225'. Reached TD 11-20-90. Ran 142 joints 5-1/2" casing as follows: 85 jts 5 1/2" 15.5# J-55 LT&C and 57 jts 5 1/2" 17# J-55 LT&C casing set 6225'. Float shoe set 6225', float collar set 6179'. DV tool set 4240'. Cemented 1st stage w/1000 gals Surebond, followed w/350 sx Class C, 10% Microbond + 2#/salt + 5/10 of 1% Halad 322 (yield 1.48, wt 15.0). PD 12:15 AM 11-22-90. Circulate thru DV tool 2-1/2 hrs. Bumped plug to 1700 psi for 3 mins, float and casing held okay. Stage 2: Cmt'd w/1400 sx Lite "C" with 1/4# Floceal + 15# salt (yield 2.03, wt 12.4). Tailed in w/100 sx Class C + 4# salt + 3/10% Halad 322 (yield 1.32, wt 14.8). PD 4:45 AM 11-22-90. Bumped plug and closed DV tool with 3200 psi. Good returns throughout both stages. WOCU 4 days. Drill out DV tool. Hydrojetted at 6032, 6039, 6048 and 6054' (4 holes each setting). Washed each cut w/250 gals 7 1/2% NEFE acid (total 1000 gals). Swabbed well back - no shows oil or gas. Dumped 500 gals 15% NEFE acid. Swabbed well dry to seating nipple. 12-5-90. Produced 8 BO and 78 BW.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 12-7-90  
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY  
MIKE WILLIAMS  
SUPERVISOR, DISTRICT II

DEC 19 1990

APPROVED BY \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:



Loving SWD #2  
Form C-108

Tabulation of data on wells within area of review

Well Name	Operator	Type	Spud	Total Depth Zone	Producing	Perforations	Completion Information
Loving AIB St #1 1550' FNL & 1780' FEL Sec 16 23S 28E	Yates Petroleum Corp	Oil	8/24/1990 (re-entry)  4/23/1979 (original hole)	6225'	Brushy Canyon	6,072'-6,090'	16" 65# H-40 @ 418' w/600sx (circ) 10 3/4", 51# & 40.5# K-55 @ 2,710' w/1300 sx (circ) 7 5/8", 29.7# & 26.4# S-95 @ 10,000' w/850 sx. TOC @ 5,300' and cement from 2,700' to surface. 5" 18# S-95 & 15# N-80 @ 12,900' w/500 sx (circ)  CIBP @ 6,170' w/20 sx cement plug on top Cmt plug: 9,356'-9,460' w/25 sx Cmt plug: 9,648'-9,758' w/25 sx Cmt plug: 10,748'-10,869' w/10 sx CIBP @ 11,480' w/10' cmt CIBP @ 12,100' w/35' cmt CIBP @ 12,600' w/10' cmt
Loving AIB St #5 330' FSL & 1650' FWL Sec 16 23S 28E	Yates Petroleum Corp	Oil	11/22/2006	6300'	Brushy Canyon	5905'-5909', 5912'-5918', 5948'-5958', 6008'-6018', 6020'-6030', 6033'-6036'	9 5/8" @ 300' Cmtid w/320 sx (circ) 5 1/2" @ 6,300' Cmtid w/ Stage 1: 200 sxs (Circ), Stage 2: 1300 sx TOC @ 2917' (CBL)
Loving AIB St #15 1650' FSL & 2310' FWL Sec 16 23S 28E	Yates Petroleum Corp	Oil	1/10/2008	6300'	Brushy Canyon	5747'-5752', 5776'-5794', 5806'-5810', 5912'-5916', 5948'-5958', 6024'-6028', 6044'-6048'	9 5/8" @ 300' Cmtid w/305 sx (circ) 5 1/2" @ 6,300' Cmtid w/ Stage 1: 514 sxs (Circ), Stage 2: 1375 sx (Circ) TOC @ surface
Loving AIB St #16 1650' FSL & 990' FWL Sec 16 23S 28E	Yates Petroleum Corp	Oil	1/23/2008	6300'	Brushy Canyon	5762'-5766', 5794'-5800', 5818'-5822', 5840'-5,844', 5942'-5952', 6006'-6018', 6120'-6126', 6174'-6180'	9 5/8" @ 335' Cmtid w/305 sx (circ) 5 1/2" @ 6,300' Cmtid w/ Stage 1: 360 sxs (Circ), Stage 2: 684 sx (Circ) TOC @ surface

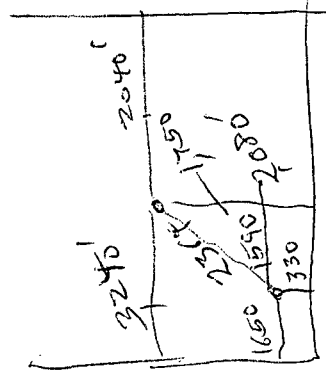
sqz open  
intended

Present well condition

15 3/4" 1780'

90% of 1/2 mile  
2364 away

use  
3050-5780



## 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 CORP	Date	: MARCH 17, 2008
Address	:	Date Sampled	: MARCH 17, 2008
Lease	: LOVING "AIB"	Analysis No.	:
Well	: #15		
Sample Pt.	: WELLHEAD		

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	6.0			
2. H2S	0			
3. Specific Gravity	1.070			
4. Total Dissolved Solids		304684.9		
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	927.0	HCO3	15.2
12. Chloride	Cl	187440.0	Cl	5287.4
13. Sulfate	SO4	500.0	SO4	10.4
14. Calcium	Ca	37200.0	Ca	1856.3
15. Magnesium	Mg	996.3	Mg	82.0
16. Sodium (calculated)	Na	77586.6	Na	3374.8
17. Iron	Fe	35.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		97000.0		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound	Equiv wt X meq/L	=	mg/L
-----					
1856   *Ca <----- *HCO3   15		Ca (HCO3) 2	81.0	15.2	1231
-----  /----->  -----		CaSO4	68.1	10.4	709
82   *Mg -----> *SO4   10		CaCl2	55.5	1830.7	101584
-----  <-----/  -----		Mg (HCO3) 2	73.2		
3375   *Na -----> *Cl   5287		MgSO4	60.2		
-----		MgCl2	47.6	82.0	3902
Saturation Values Dist. Water 20 C		NaHCO3	84.0		
CaCO3 13 mg/L		Na2SO4	71.0		
CaSO4 * 2H2O 2090 mg/L		NaCl	58.4	3374.8	197223
BaSO4 2.4 mg/L					

REMARKS:

Sample of water to be  
disposed into SWD  
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 CORP  
 Address :  
 Lease : WATER WELL  
 Well : EAST OF LOVING BATTE  
 Sample Pt. :

Date : 3/28/08  
 Date Sampled : 3/26/08  
 Analysis No. :

ANALYSIS	mg/L	* meq/L
1. pH	6.8	
2. H2S	0	
3. Specific Gravity	1.010	
4. Total Dissolved Solids	7475.0	
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 427.0	HCO3 7.0
12. Chloride	Cl 3621.0	Cl 102.1
13. Sulfate	SO4 950.0	SO4 19.8
14. Calcium	Ca 960.0	Ca 47.9
15. Magnesium	Mg 389.3	Mg 32.0
16. Sodium (calculated)	Na 1126.5	Na 49.0
17. Iron	Fe 1.3	
18. Barium	Ba NR	
19. Strontium	Sr NR	
20. Total Hardness (CaCO3)	4000.0	

**PROBABLE MINERAL COMPOSITION**

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
48   *Ca <----- *HCO3   7	Ca (HCO3) 2	81.0	7.0 567
-----  /----->  -----	CaSO4	68.1	19.8 1346
32   *Mg -----> *SO4   20	CaCl2	55.5	21.1 1172
-----  <-----/  -----	Mg (HCO3) 2	73.2	
49   *Na -----> *Cl   102	MgSO4	60.2	
+-----+	MgCl2	47.6	32.0 1524
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	49.0 2863
BaSO4 2.4 mg/L			

REMARKS:  
 -----

Water sample from waterwell  
 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 CORP  
 Address :  
 Lease : IRRIGATION DITCH  
 Well : WEST OF LOVING BATTE  
 Sample Pt. :

Date : 3/28/08  
 Date Sampled : 3/26/08  
 Analysis No. :

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	6.8			
2. H2S	0			
3. Specific Gravity	1.010			
4. Total Dissolved Solids		9665.0		
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	427.0	HCO3	7.0
12. Chloride	Cl	3621.0	Cl	102.1
13. Sulfate	SO4	2250.0	SO4	46.9
14. Calcium	Ca	1200.0	Ca	59.9
15. Magnesium	Mg	49.4	Mg	4.1
16. Sodium (calculated)	Na	2116.4	Na	92.1
17. Iron	Fe	1.3		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		3200.0		

PROBABLE MINERAL COMPOSITION  
-----

*milli equivalents per Liter		Compound	Equiv wt X meq/L	=	mg/L
+-----+	+-----+				
60   *Ca <----- *HCO3	7	Ca (HCO3)2	81.0	7.0	567
-----  /----->	-----	CaSO4	68.1	46.9	3189
4   *Mg -----> *SO4	47	CaCl2	55.5	6.0	334
-----  <-----/	-----	Mg (HCO3)2	73.2		
92   *Na -----> *Cl	102	MgSO4	60.2		
+-----+	+-----+	MgCl2	47.6	4.1	193
Saturation Values Dist. Water 20 C		NaHCO3	84.0		
CaCO3 13 mg/L		Na2SO4	71.0		
CaSO4 * 2H2O 2090 mg/L		NaCl	58.4	92.1	5380
BaSO4 2.4 mg/L					

REMARKS:  
-----

Water sample Irrigation  
 Ditch  
 Attachment D

Notification letters:

**1. Surface owner:**

- a. New Mexico Interstate Stream Commission  
121 Tijeras NE, Ste. 2000  
Albuquerque, NM 87102

**2. Operators:**

- a. BK Exploration Corp.  
810 S. Cincinnati, Ste. 208  
Tulsa, OK 74119
- b. Chesapeake Energy  
5014 Carlsbad Highway  
Hobbs, NM 88240
- c. Chevron Mid-Continent  
P.O. Box 1949  
Eunice, NM 88231
- d. Dakota Resources, Inc.  
4914 N. Midkiff Road  
Midland, TX 79705
- e. Flare Oil Inc.  
202 Hwy. 35 South, PMB 243  
Rockport, TX 78382
- f. OXY USA  
P.O. Box 4294  
Houston, TX 77210
- g. Pennzoil Petroleum Co.  
P.O. Box 2967  
Houston, TX 77001



# ATTACHMENT E

7007 2680 0000 5030 9067

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

1. Article Addressed to:  
Pennzoil Petroleum Company  
P.O. Box 2967  
Houston, TX 77252-2967

2. Article Number  
(Transfer from service label)

7007 2680 0000 5030 9067

## THIS SECTION

nd 3. Also complete  
ivery is desired.  
ddress 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.

## COMPLETE THIS SECTION ON DELIVERY

A. Signature x R. Henley	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name)	Date of Delivery MAY 2 - 2005
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Pennzoil Petroleum Co.  
P.O. Box 2967  
Houston, TX 77001

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

  
Margrethe Hotter  
Operations Engineer

Enclosures

MARTIN  
191  
FRANK  
193

U.S. Postal Service  
**CERTIFIED MAIL**  
(Domestic Mail Only, No In-  
ternational Mail)

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

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

\$  
\$  
or  
C. BK Exploration Corporation  
10159 E. 11th Street  
Tulsa, OK 74128

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:

BK Exploration Corporation  
10159 E. 11th Street, Suite 401  
Tulsa, OK 74128-3028

2. Article Number  
(Transfer from service label)

7007 2680 0000 5030 9074

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Bill Buehn* ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

*AB*

C. Date of Delivery

*4/21/08*

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

March 31, 2008

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

BK Exploration Corporation  
810 S. Cincinnati, Ste 208  
Tulsa, OK 74119

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

*Margrethe Hotter*  
Margrethe Hotter  
Operations Engineer

Enclosures

MA 7007 2680 0000 5030 8985  
FR

**CERTIFIED MAIL, RETURN RECEIPT**  
(Domestic Mail Only, No Insurance)  
For delivery information visit our website  
**OFFICIAL**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	6.45

Sent Oxy USA  
Street P.O. Box 4294  
or PO Houston, TX 77210  
City:

PS Form 3811, February 2004  
March 31, 2006

**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:

Oxy USA  
P.O. Box 4294  
Houston, TX 77210

2. Article Number

(Transfer from service label)

7007 2680 0000 5030 8985

PS Form 3811, February 2004

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

*JAMES BERRY* Date of Delivery *APR 7 2006*

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

Oxy USA  
P.O. Box 4294  
Houston, TX 77210

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

*[Signature]*

Margrethe Hotter  
Operations Engineer

Enclosures

MAF 7007 2680 0000 5030 8992  
FR/

U.S. Postal Service  
**CERTIFIED MAIL™**  
(Domestic Mail Only, No Insurance)  
For delivery information visit our web site  
**OFFICIAL**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	6.45

Sent to: Flare Oil, Inc.  
Street or PO: 202 Hwy 35 South, P.  
City, State: Rockport, TX 78382

**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:

Flare Oil, Inc.  
202 Hwy 35 South, PMB 243  
Rockport, TX 78382

2. Article Number

(Transfer from service label)

7007 2680 0000 5030 8992

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

March 31, 2008

Flare Oil, Inc.  
202 Hwy 35 South, PMB 243  
Rockport, TX 78382

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

  
Margrethe Hotter  
Operations Engineer

Enclosures

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

H. T. Cook, PRES

C. Date of Delivery

4-9-08

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

7007 2680 0000 5030 8831

**CERTIFIED MAIL, RETURN RECEIPT**  
(Domestic Mail Only, No Insurance)  
For delivery information visit our website

Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)  
To  
6.45  
Sir,  
Chesapeake Energy Corp  
6100 N. Western Ave.  
Oklahoma City, OK 73118  
PS Form 3811, August 2005

**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:

Chesapeake Energy Corporation  
6100 N. Western Ave.  
Oklahoma City, OK 73118

2. Article Number  
(Transfer from service label)

7007 2680 0000 5030 8831

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X Mm

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

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

YATES P

HOBBS, NM

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

Margrethe Hotter  
Operations Engineer

Enclosures

RANDY G. PATTERSON  
SECRETARY

DAVID LANNING  
CHIEF OPERATING OFFICER

DENNIS G. KINSEY  
TREASURER

7007 2680 0000 5030 8978

**CERTIFIED MAIL**  
(Domestic Mail Only - No Insure)  
For delivery information visit [usps.com](http://usps.com)

**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.

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name): Angelina N. [unclear] C. Date of Delivery: 4-7-08

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

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

6.45  
Dakota Resources, Inc.  
4914 N. Midkiff Road  
Midland, TX 79705

1. Article Addressed to:  
  
Dakota Resources, Inc.  
4914 N. Midkiff Road  
Midland, TX 79705

2. Article Number  
(Transfer from service label) 7007 2680 0000 5030 8978

PS Form 3811, February 2004

March 31, 200 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Dakota Resources, Inc.  
4914 N. Midkiff Road  
Midland, TX 79705

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

Margrethe Hotter  
Operations Engineer  
*[Signature]*  
Enclosures

US POSTAL SERVICE CERTIFIED MAIL (Domestic Mail Only, No Ins)		SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
For delivery information visit us <b>OFFICIAL</b>		■ 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.		A. Signature <b>X</b> <i>Kathryn K. Martin</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Postage \$ Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total F		1. Article Addressed to:  Chevron Mid-Continent P.O. Box 1949 Eunice, NM 88231		B. Received by (Printed Name) C. Date of Delivery	
Sent To Street, or P.O. City, S		2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
PS Form 3811, February 2004		7007 2680 0000 5030 8961		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
March 31, 2004		PS Form 3811, February 2004		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

Chevron Mid-Continent  
P.O. Box 1949  
Eunice, NM 88231

Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,

*Margrethe Hotter*  
Margrethe Hotter  
Operations Engineer

Enclosures

RANDY G. PATTERSON  
SECRETARY

DAVID LANNING  
CHIEF OPERATING OFFICER

DENNIS G. KINSEY  
TREASURER

MAR 7007 2680 0000 5030 9005  
FRA

U.S. Postal Service  
**CERTIFIED MAIL**  
(Domestic Mail Only: No Insurance)  
For delivery information visit our website  
Official

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

6.45

NM Interstate Stream Commission  
121 Tijeras NE, Ste 2000  
Albuquerque, NM 87102

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:

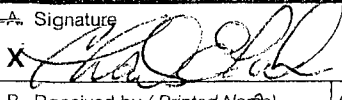
NM Interstate Stream Commission  
121 Tijeras NE, Ste 2000  
Albuquerque, NM 87102

2. Article Number  
(Transfer from service label)

7007 2680 0000 5030 9005

PS Form 3811, February 2004

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X   
☐ Agent  
☐ Addressee

B. Received by (Printed Name)  
Charles E. Palmer  
C. Date of Delivery  
4-3-08

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

NM Interstate Stream Commission  
121 Tijeras NE, Ste 2000  
Albuquerque, NM 87102

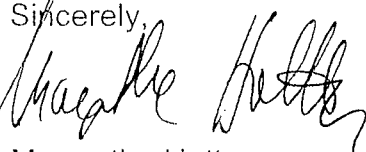
Re: Loving SWD #1  
Loving SWD #2

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Loving SWD #1 located in Unit G, Section 16-T23S-R28E and Loving SWD #2 located in Unit J, Section 16-T23S-28E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (575) 748-4165.

Sincerely,



Margrethe Hotter  
Operations Engineer

Enclosures



# ATTACHMENT F

## Affidavit of Publication

NO. 20195

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 April 1st 2008

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

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

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

Fifth Publication \_\_\_\_\_

Subscribed and sworn to before me this

12th Day May 2008

Kimberly A. Combs

Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

## Copy of Publication:

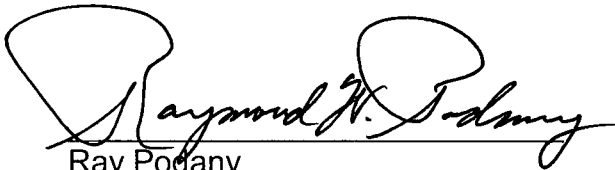
Yates Petroleum Corporation, 105 south Fourth Street, Artesia, NM 88210, has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well the Loving SWD #2 located 2080' FSL & 2040' FEL, Unit G, Section 16, Township 23 South, Range 28 East of Eddy County, New Mexico, will be used for saltwater disposal. Produced waters from the Delaware Sand will be re-injected into the Delaware Sand at a depth of 2,590'-3,780' with a maximum pressure of 520 psi and a maximum rate of 5000 BWPD. All interested parties opposing the aforementioned must file objections 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 obtained by contacting Margrethe Hotter at (575) 748-4165.

Published in the Artesia Daily Press, Artesia, N.M. April 1, 2008.  
Legal 20132

**Attachment G**

C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Loving SWD #2  
Unit J, Section 16-T23S-R28E  
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, appearing to read "Raymond H. Podany". The signature is written over a horizontal line.

Ray Podany  
Geologist  
Yates Petroleum Corporation

3-28-2008

Date

**Jones, William V., EMNRD**

---

**From:** Margrethe Hotter [mhotter@YPCNM.COM]  
**Sent:** Wednesday, June 04, 2008 5:00 PM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: SWD Application on behalf of YPC: Loving SWD #2 API No. 30-015-26497 Unit J of Sec 16 T23S R28E

Thank you. That sounds very well.

**Margrethe Hotter**

Area Engineer  
Yates Petroleum Corporation  
105 S. 4<sup>th</sup> St  
Artesia, NM 88210  
Tel. 575-748-4165  
Cell. 575-703-0749  
Fax. 575-748-4585

-----Original Message-----

**From:** Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
**Sent:** Wednesday, June 04, 2008 3:54 PM  
**To:** Margrethe Hotter  
**Subject:** RE: SWD Application on behalf of YPC: Loving SWD #2 API No. 30-015-26497 Unit J of Sec 16 T23S R28E

Margrethe:

Sounds like you definitely need the extra disposal capacity of the upper interval in the #2 well?

How about we write the permit so the lower interval is permitted for injection immediately and then if you need the additional capacity you can perf the upper interval - but only after cementing the offsetting well?

Thanks for your reply.

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

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**From:** Margrethe Hotter [mailto:mhotter@YPCNM.COM]  
**Sent:** Wednesday, June 04, 2008 2:36 PM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: SWD Application on behalf of YPC: Loving SWD #2 API No. 30-015-26497 Unit J of Sec 16 T23S R28E

Hello William,

I am working on answering your question for the Loving #1 well, and I will respond that email shortly.

As for this email and the Loving SWD #2 well:

Would it be possible, instead of limiting the injection interval, to keep the proposed interval as in the application and instead include a stipulation or requirement for us to put cement behind the pipe of Loving AIB St #5 to surface, or to whatever depth you would prefer?

Hope you have a nice day,

6/4/2008

Regards,

**Margrethe Hotter**

Area Engineer  
Yates Petroleum Corporation  
105 S. 4<sup>th</sup> St  
Artesia, NM 88210  
Tel. 575-748-4165  
Cell. 575-703-0749  
Fax. 575-748-4585

-----Original Message-----

**From:** Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

**Sent:** Tuesday, June 03, 2008 5:23 PM

**To:** Margrethe Hotter

**Cc:** Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD

**Subject:** SWD Application on behalf of YPC: Loving SWD #2 API No. 30-015-26497 Unit J of Sec 16 T23S R28E

Hello Margrethe:

This one seems similar to the Loving SWD #1 application, just a little further SW in the same Section.

But it looks like for some reason the newly drilled Loving AIB ST #5 30-015-34733 has a low cement top - maybe a thief zone above the DV tool or problem while cementing?

This well is 2,364 feet away from your #2 well, but only has 300 feet of surface pipe, then the 5-1/2 inch with a cement top at 2917 feet.

Is Yates OK with limiting the injection interval in the proposed injection well to approximately 3050 to 3780 feet?

Thank You,

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

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6/4/2008

## Injection Permit Checklist 2/8/07

SWD Order Number 1130 Dates: Division Approved \_\_\_\_\_ District Approved \_\_\_\_\_Well Name/Num: LOVING SWD#2 Date Spudded: 11/4/90API Num: (30-) 015-26497 County: EDDYFootages: 2080 FSL/2040 FEL Sec 16 Tsp 23S Rge 28EOperator Name: Y PC Contact MoyetOperator Address: 105 S. 4th St. Corra NMCurrent Status of Well: 5788-6054 Planned Work: PB th complete Inj. Tubing Size: 2 1/8" 240'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface				
Intermediate	<u>9 5/8</u>	<u>524</u>	<u>275</u>	<u>CIRC</u>
Production	<u>5 1/2</u>	<u>6225</u>	<u>3500 CMC/1500 SX</u>	<u>2522 TOC (CBL)</u>
Last DV Tool		<u>4240'</u>		
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>			
<del>Capitan Reef</del>			
<del>Cliff House, Etc.</del>			
Formation Above	<u>2558</u>	<u>Bell C. TOP</u>	
Top Inj Interval	<u>2590</u>	<u>Bell C.</u>	
Bottom Inj Interval	<u>3780</u>	<u>Cherry C. (F&amp;B 3610')</u>	
Formation Below	<u>6114</u>	<u>Bone S. TOP.</u>	

518 PSI Max. WHIPNO Open Hole (Y/N)NO Deviated Hole (Y/N)Fresh Water: Depths: 0-400 Wells (Y/N) ✓ Analysis Included (Y/N) ✓ Affirmative Statement: ✓

Salt Water Analysis: Injection Zone (Y/N/NA) \_\_\_\_\_ Disposition (Y/N/NA) \_\_\_\_\_ Types: \_\_\_\_\_

Notice: Newspaper (Y/N) ✓ Surface Owner NM Interstate Comm. Mineral Owner(s) \_\_\_\_\_Other Affected Parties: BK Exp/Chen/Chen/DKTA Res./Flow Oil/OXY/PangulAOR/Repairs: Num Active Wells 4 Repairs? maybe Producing in Injection Interval in AOR \_\_\_\_\_AOR Num of P&A Wells 0 Repairs? \_\_\_\_\_ Diagrams Included? \_\_\_\_\_ RBDMS Updated (Y/N) \_\_\_\_\_Well Table Adequate (Y/N) ✓ AOR STRs: Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ UIC Form Completed (Y/N) \_\_\_\_\_

New AOR Table Filename \_\_\_\_\_ Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ This Form completed \_\_\_\_\_

Conditions of Approval: Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ Data Request Sent \_\_\_\_\_

perf @ 2522 CMC CMT To Surf.PLUG BACK B.C. + PLUG @ 200' below inj. perf. ~4000'AOR work; MUST CMT LOVING AIB#1 over open interval

AOR Required Work: \_\_\_\_\_

Required Work to this Well: ENTER CONFINE inj TO 3650-3800 or provide B.A. of #5 well