

DATE IN 4.1.11	SUSPENSE	ENGINEER WJ	LOGGED IN 4.1.11	TYPE SWD	APP NO. 1109135125
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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



PTG-W
1279
Yates Pet Corp.
25575
Rosemary SWD #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-31227

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 _____

Fed
Lea

[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

Margrethe Hotter
Signature

Area Engineer

Title

3/2/11

Date

mhotter@yatespetroleum.com
e-mail Address

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



RECEIVED CCD

2011 MAR 31 10:38 AM
105 SOUTH FOURTH STREET
SANTA FE, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

SCOTT M. YATES
VICE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

March 29, 2011

State of New Mexico
Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Re: Rosemary SWD #1

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 6, T22S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Sincerely,

Margrethe Hotter
Area Engineer

Enclosures

**C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Rosemary SWD #1
Unit L, 1980' FSL & 660' FWL, Sec. 6, 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, one of them are P&A (See Attachment C).**
- VII. 1. Proposed average daily injection volume approximately 2500 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 – 925 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 4626'-5730'.**

**Application for Authorization to Inject
Rosemary SWD #1**

-2-

- 2. Possible Fresh water zones overlie 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 or water wells 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.**

Send notification letters to:

1. Surface owner:

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

2. Operators:

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210-4358

OXY USA Inc
P.O. Box 27570
Houston, TX 77227-7570

BP America Production CO.
P.O. Box 3092
Houston, TX 77253-3092

Magnum Hunter Production Inc
5215 N. O'Conner Blvd #1500
Irving, TX 75039-3764

Kaiser-Francis Oil
P.O. Box 21468
Tulsa, OK 74121-1468

**Yates Petroleum Corporation
Rosemary SWD #1
L-6-T22S-R32E
Lea County, New Mexico**

Attachment A

III. Well Data

- A.**
1. Lease Name/Location
Rosemary SWD #1
(Prev. Rosemary AJB Fed #1)
L-6-T22S-R32E
1980' FSL & 660' FWL
 2. Casing Strings:
 - a. Present well condition
13 3/8", 54.5# J-55 @ 862' w/600 sx (circ)
8 5/8", 32# J-55 & HC-80 @ 4,539' w/1600 sx (circ).
5 1/2", 15.5# & 17# J-55 @ 8,600' w/DV tool @ 7,322'.
Stage 1: 325sx (circ)
Stage 2: 650sx (TOC @ 4,114, CBL)
 - b. Present Status:
Non-commercial completion in Delaware at 7,134-7,157'
 3. Proposed well condition:
Casing same as above.
Spot a 25 sx cement plug across DV tool @ 7,322'
Set a CIBP @ 7084' and cap with 35' cement.
3 1/2" 9.3 J55 or 2-7/8" 6.5 J55 plastic-coated injection tubing @ 4,526'
 4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 4,526'.
- B.**
1. Injection Formation: Delaware Sands
 2. Injection Interval will be through perforations from approximately 4,626'-5730' gross interval.
 3. Well was originally drilled as a Delaware oil well. Well will be a Delaware water disposal well when work is completed.
 4. Perforations: High porosity sands between 4,626'-5730'.
 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: Rosemary AJB Federal #1 FIELD: Livingston Ridge

LOCATION: 1,980' FSL & 660' FWL of Section 6-22S-32E Lea Co., NM

GL: 3,611' ZERO: KB:

SPUD DATE: 4/26/91 COMPLETION DATE: 6/15/91

COMMENTS: API No.: 30-025-31227

CASING PROGRAM

13-3/8" 54.5# J-55		862'
8-5/8" 32# J-55	3,102'	
8-5/8" 32# HC 80	575'	4,539'
5-1/2" 17# J-55	961'	
5-1/2" 15.5 J-55	5,898'	
5-1/2" 17 J-55	1,741'	8,600'

17-1/2" Hole

11" Hole

7-7/8" Hole

13-3/8" @ 862' w/600 sx (Circ)

TOC @ 4,114' by CBL

8-5/8" @ 4,539'
w/1600 sx (Circ)

Current

TOPS

Rustler	666'
DW	4,514'
Cherry Cny	5,516'
Brushy Cny	7,286'
BS	8,501'

RBP @ 7,250'

Cherry Canyon Perfs: 7,134-7,157'

Brushy Canyon Perfs: 7,289-7,304'

DV Tool @ 7,322'

Brushy Canyon Perfs: 7,471-7,481'

Brushy Canyon Perfs: 7,766-7,770

Brushy Canyon Perfs: 8,305-8,330'; 8,391-8,397'

FC: 8,556'
TD: 8,600'

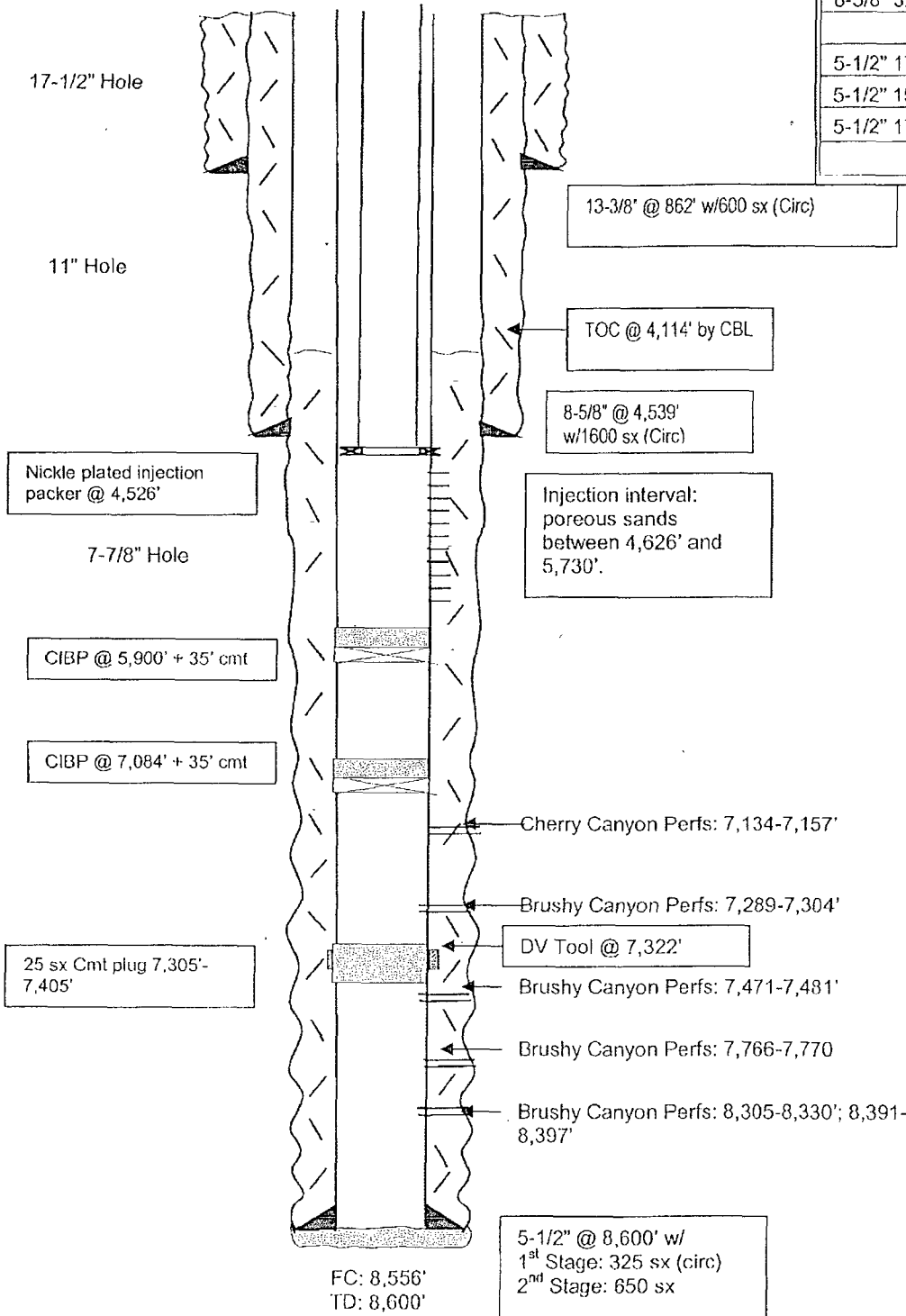
5-1/2" @ 8,600' w/
1st Stage: 325 sx (circ)
2nd Stage: 650 sx

Not to Scale
2/14/11
DC/Hotter

WELL NAME: Rosemary SWD #1 FIELD: Livingston Ridge
 LOCATION: 1,980' FSL & 660' FWL of Section 6-22S-32E Lea Co., NM
 GL: 3,611' ZERO: KB:
 SPUD DATE: 4/26/91 COMPLETION DATE: 6/15/91
 COMMENTS: API No.: 30-025-31227

CASING PROGRAM

13-3/8" 54.5# J-55		862'
8-5/8" 32# J-55	3,102'	
8-5/8" 32# HC 80	575'	4,539'
5-1/2" 17# J-55	961'	
5-1/2" 15.5 J-55	5,898'	
5-1/2" 17 J-55	1,741'	8,600'

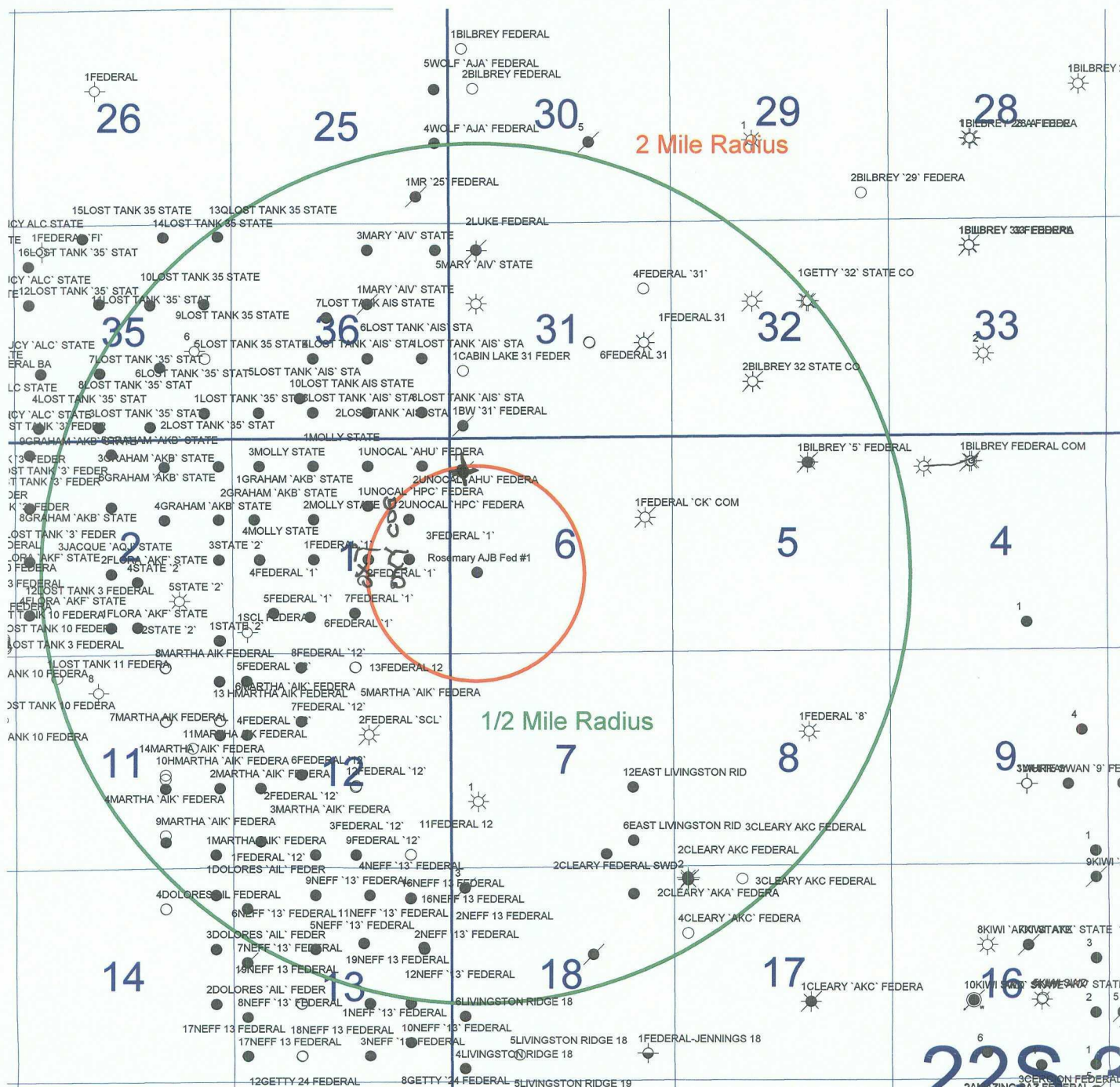


After

TOPS

Rustler	666'
DW	4,514'
Cherry Cny	5,516'
Brushy Cny	7,286'
BS	8,501'

Not to Scale
 2/14/11
 DC/Holler



Yates Petroleum Corporation

Rosemary AJB Federal #1

Author: Debbie Chavez		Date: 9 February, 2011
1,980 FSL & 660' FWL	Section 6-22S-32E	Lea County

Attachment B

Attachment "C"

Rosemary SWD #1
Form C-108

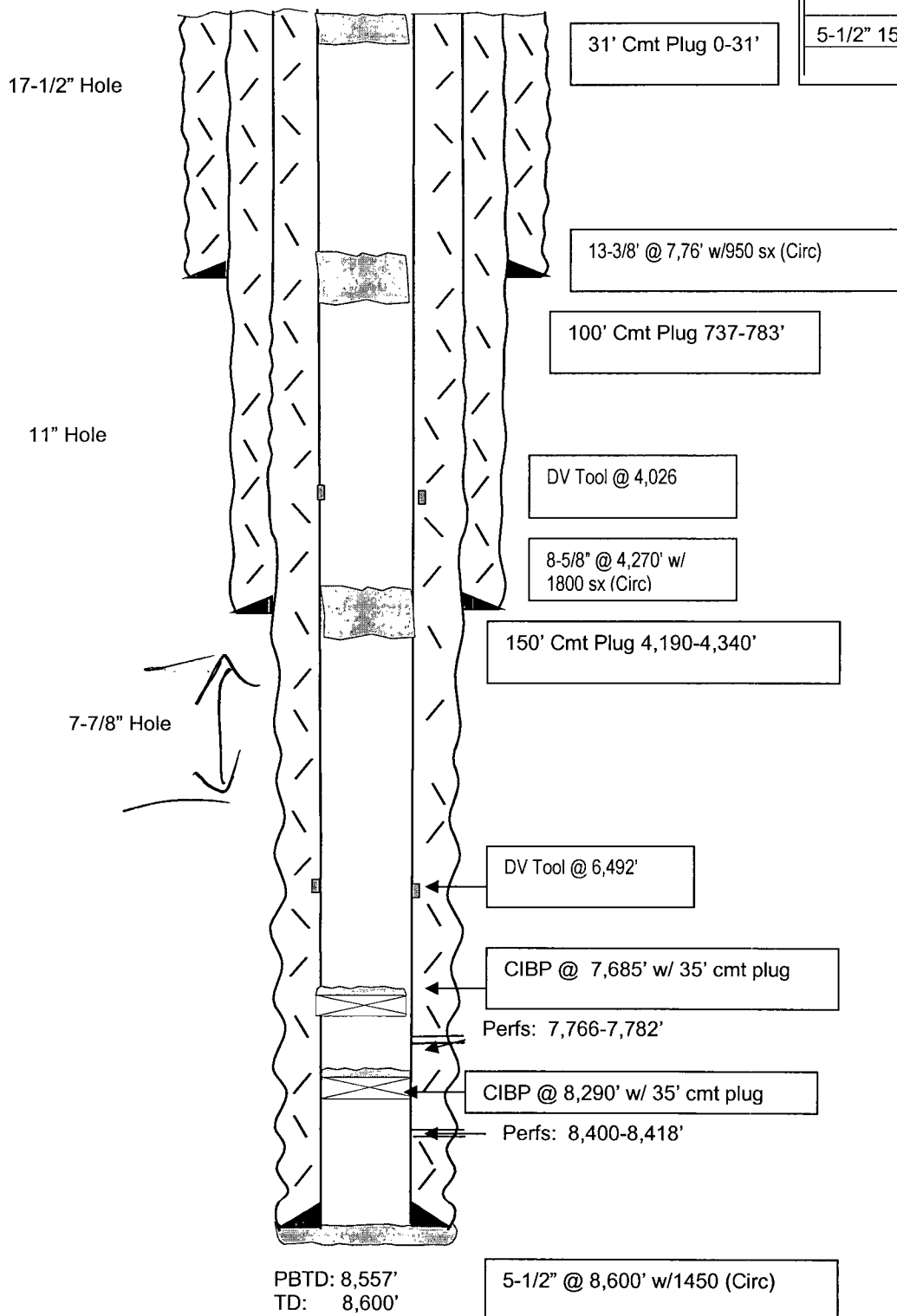
Tabulation of data on wells within area of review

Well Name	Operator	Type	Spud	Total Depth	Producing Zone	Perforations	Completion Information
Federal 1 #2 2310' FSL & 1980' FEL Sec 1 22S 31E	Oxy USA Inc	Oil	1/10/1992	8530	Delaware	7080-7097	13 3/8" @ 828' Cmtd w/1025 sx (circ) 8 5/8" @ 4,303' Cmtd w/1625 sx (circ) 5 1/2" @ 8,530' Cmtd w/ Stage 1: 700sx (circ) Stage 2: 775 sx DV tool @ 6186' TOC @ 2180' (CBL) ✓
Federal 1 #3 2310' FSL & 660' FEL Sec 1 22S 31E	Oxy USA Inc	Oil	3/18/1992	8555	Delaware	7121-7139	13 3/8" @ 805' Cmtd w/900 sx (circ) 8 5/8" @ 4,335' Cmtd w/1800 sx (circ) 5 1/2" @ 8,555' Cmtd w/ Stage 1: 400sx (circ) Stage 2: 735 sx DV tool @ 6213' TOC @ 2100' (CBL) ✓
Unocal HCP Fed #2 1980' FNL & 990' FEL Sec 1 22S 31E	COG Operating LLC	Oil	10/10/1991	8532	Delaware	6889-6903 7015-7026 7111-7133	13 3/8" @ 750' Cmtd w/575 sx (circ) 8 5/8" @ 4,254' Cmtd w/1450 sx (circ) 5 1/2" @ 8,532' Cmtd w/ Stage 1: 275sx (circ) Stage 2: 700 sx DV tool @ 7453' TOC @ 3290' (CBL) ✓
Federal 6 #1 800' FNL & 330' FWL Sec 6 22S 32E	Pogo Producing Co	Oil	4/30/1994 P&A 1/28/1995	8600	Delaware	7766-7782 8400-8418	13 3/8" @ 776' Cmtd w/950 sx (circ) 8 5/8" @ 4,270' Cmtd w/1800 sx (circ) 5 1/2" @ 8,600' Cmtd w/ Stage 1: 425sx (circ) Stage 2: 525 sx (circ) Stage 3: 500 sx (circ) DV tool @ 4026' & 6492' TOC @ Surface. ✓ See attached P&A sketch CIBP @ 8290' + 35 sx cmt CIBP @ 7685' + 35 sx cmt Spot cmt plugs @ 4190'-4340' 737-837' surface to 31'

WELL NAME: Federal 6 #1 FIELD: _____
 LOCATION: 800' FNL & 330' FWL of Section 6-22S-32E Lea Co., NM
 GL: 3,606' ZERO: 13 KB: 3,619'
 SPUD DATE: 4/30/94 COMPLETION DATE: 6/3/94
 COMMENTS: API No.: 30-025-31403

CASING PROGRAM

13-3/8" 54.5 J-55	<u>776'</u>
8-5/8" 24/32# J-55	<u>4,270'</u>
5-1/2" 15.5/17# J-55 &N-80	<u>8,600'</u>



P&A

TOPS

Delaware lm	4,483'
Bell Canyon	4,589'
Cherry Cny	5,380'
Brushy Cny	6,687'
B. Spring	8,464'

Not to Scale
 2/14/11
 DC/Hotter

Attachment C

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	YATES PETROLEUM INC	Sales RDT:	33514
Region:	PERMIAN BASIN	Account Manager:	REGGIE GUY (575) 910-9391
Area:	ARTESIA, NM	Sample #:	215375
Lease/Platform:	JACQUE 'AQJ' STATE	Analysis ID #:	95616
Entity (or well #):	3	Analysis Cost	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 215375 @ 75 °F							
Sampling Date:	10/19/09	Anions		mg/l	meq/l	Cations		mg/l	meq/l
Analysis Date:	10/26/09	Chloride:	179356.0		5058.98	Sodium:	83041.3		3612.09
Analyst:	STACEY SMITH	Bicarbonate:	97.0		1.59	Magnesium:	3562.0		293.02
		Carbonate:	0.0		0.	Calcium:	23012.0		1148.3
TDS (mg/l or g/m3):	294347.8	Sulfate:	2707.0		56.36	Strontium:	956.0		21.82
Density (g/cm3, tonne/m3):	1.193	Phosphate:				Barium:	1.5		0.02
Anion/Cation Ratio:	1	Borate:				Iron:	29.0		1.05
		Silicate:				Potassium:	1580.0		40.41
Carbon Dioxide:	0 PPM	Hydrogen Sulfide:			0 PPM	Aluminum:			
Oxygen:		pH at time of sampling:			5.2	Chromium:			
Comments:		pH at time of analysis:				Copper:			
		pH used in Calculation:			5.2	Lead:			
						Manganese:	6.000		0.22
						Nickel:			

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.65	0.00	0.64	1094.13	0.71	902.44	0.76	445.15	1.05	0.79	2.97
100	0	-0.57	0.00	0.56	1022.31	0.69	891.35	0.74	437.76	0.85	0.53	3.46
120	0	-0.49	0.00	0.49	948.65	0.70	894.52	0.73	435.12	0.68	0.53	3.91
140	0	-0.40	0.00	0.42	876.30	0.73	909.31	0.73	436.17	0.53	0.53	4.29

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Attachment D

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	YATES PETROLEUM INC	Sales RDT:	44222
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (575) 910-7135
Area:	ARTESIA, NM	Sample #:	485752
Lease/Platform:	PETRO GULF LEASE	Analysis ID #:	99284
Entity (or well #):	BJT FED	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 485752 @ 75 °F					
Sampling Date:	03/17/10	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	03/26/10	Chloride:	133100.0	3754.27	Sodium:	65749.3	2859.93
Analyst:	LEAH DURAN	Bicarbonate:	37.0	0.61	Magnesium:	2198.0	180.82
TDS (mg/l or g/m3):	217232.3	Carbonate:	0.0	0.	Calcium:	13612.0	679.24
Density (g/cm3, tonne/m3):	1.151	Sulfate:	611.0	12.72	Strontium:	694.0	15.84
Anion/Cation Ratio:	1	Phosphate:			Barium:	1.5	0.02
Carbon Dioxide:		Borate:			Iron:	26.0	0.94
Oxygen:		Silicate:			Potassium:	1201.0	30.71
Comments:		Hydrogen Sulfide:			Aluminum:		
		pH at time of sampling:		6.1	Chromium:		
		pH at time of analysis:			Copper:		
		pH used in Calculation:		6.1	Lead:		
					Manganese:	2.500	0.09
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.47	0.00	-0.21	0.00	-0.18	0.00	0.12	52.32	0.56	0.57	0.17
100	0	-0.40	0.00	-0.29	0.00	-0.19	0.00	0.10	43.51	0.36	0.57	0.21
120	0	-0.32	0.00	-0.35	0.00	-0.17	0.00	0.09	39.53	0.19	0.28	0.25
140	0	-0.23	0.00	-0.40	0.00	-0.13	0.00	0.09	40.09	0.04	0.00	0.28

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

Perian Treating Chemicals *230-32E-28*

WATER ANALYSIS REPORT

SCANNED

SAMPLE

Oil Co. : Yates Petroleum
 Lease : Continental "APJ" Fed.
 Well No.: #3
 Location:
 Attention:

Date Sampled : 31-March-2004
 Date Analyzed: 12-April-2004
 Lab ID Number: Apr1204.001-1
 Salesperson :

File Name : F:\ANALYSES\Apr1204.001

ANALYSIS

1. Ph
2. Specific Gravity 60/60 F.
3. CAC₀₃ Saturation Index

6.140
 1.203
 @ 80F
 @140F
 2.472
 3.722

Dissolved Gasses

4. Hydrogen Sulfide
5. Carbon Dioxide
6. Dissolved Oxygen

MG/L. EQ. WT. *MEQ/L
 Not Present
 Not Determined
 Not Determined

Cations

7. Calcium (Ca++)
8. Magnesium (Mg++)
9. Sodium (Na+) (Calculated)
10. Barium (Ba++)

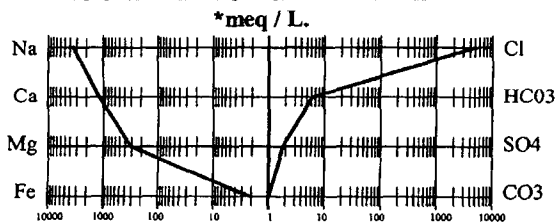
23,166 / 20.1 = 1,152.54
 3,744 / 12.2 = 306.89
 76,733 / 23.0 = 3,336.22
 Below 10

Anions

11. Hydroxyl (OH-)
12. Carbonate (CO₃=)
13. Bicarbonate (HCO₃-)
14. Sulfate (SO₄=)
15. Chloride (Cl-)
16. Total Dissolved Solids
17. Total Iron (Fe)
18. Total Hardness as CaCO₃
19. Resistivity @ 75 F. (Calculated)

0 / 17.0 = 0.00
 0 / 30.0 = 0.00
 360 / 61.1 = 5.89
 85 / 48.8 = 1.74
 169,962 / 35.5 = 4,787.66
 274,050
 36 / 18.2 = 1.98
 73,265
 0.001 /cm.

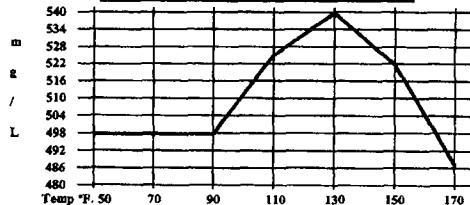
LOGARITHMIC WATER PATTERN



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L =	mg/L.
Ca(HCO ₃) ₂	81.04		5.89	477
CaSO ₄	68.07		1.74	119
CaCl ₂	55.50		1,144.90	63,542
Mg(HCO ₃) ₂	73.17		0.00	0
MgSO ₄	60.19		0.00	0
MgCl ₂	47.62		306.89	14,614
NaHCO ₃	84.00		0.00	0
NaSO ₄	71.03		0.00	0
NaCl	58.46		3,335.87	195,015

Calcium Sulfate Solubility Profile



Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

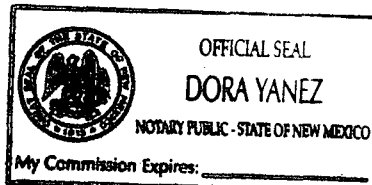
of 1 issue(s).
Beginning with the issue dated
March 15, 2011
and ending with the issue dated
March 15, 2011


PUBLISHER

Sworn and subscribed to before me
this 15th day of
March, 2011


Notary Public

My commission expires
February 09, 2013
(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

Legal Notice MARCH 15, 2011

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 Rosemary SWD #1 located 1980' FSL & 660' FWL, Unit L, Section 6, Township 22 South, Range 32 East of Lea 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 4,626'-5730' with a maximum pressure of 925 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.

#26418

01101029

00069101

ATTN: DEBBIE CHAVEZ
YATES PETROLEUM CORPORATION
P.O. BOX 97
ARTESIA, NM 88210

Affidavit of Publication

NO.

21576

STATE OF NEW MEXICO

County of Eddy:

Walter L. Green

Walter L. Green

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 state, and that the hereto 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 Consecutive weeks/days on the same day as follows:

First Publication

March 3, 2011

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

3rd day of

March

2011



OFFICIAL SEAL

Danny Scott

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires:

3/13/2014

Danny Scott
Danny Scott

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Rosemary SWD #1

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 Rosemary SWD #1 located 1980' FSL & 660' FWL Unit L, Section 6, Township 22 South, Range 32 East of Lea 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 4,626'-5730' with a maximum pressure of 925 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 Margrèthe Hotter at (575) 748-4165.

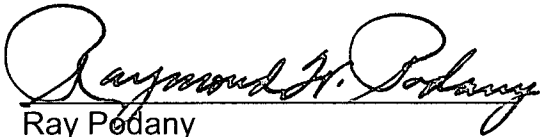
Published in the Artesia Daily Press, Artesia, N.M., March 3, 2011. Legal No. 21576.

Attachment G

C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Rosemary SWD #1

Unit L, Section 6-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

1 March 2011
Date

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 FRANK 1936
 S.P. 1914

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 7006 0100 0003 9638 7756

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Sent To: Magnum Hunter Production, Inc.
 5215 N. O'Conner Blvd #1500
 Irving, TX 75039-3764
 Street, or P.O. 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.

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Magnum Hunter Production, Inc.
 5215 N. O'Conner Blvd #1500
 Irving, TX 75039-3764

2. Article Number

(Transfer from service label)

7006 0100 0003 9638 7756

PS Form 3811, February 2004

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A. Signature

X *Vicki McFarland* ☐ Agent ☐ Address

B. Received by (Printed Name)

Vicki McFarland

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
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☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Magnum Hunter Production, Inc.
 5215 N. O'Conner Blvd #1500
 Irving, TX 75039-3764

Re: Rosemary SWD #1

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 6, T22S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Sincerely,

Margrethe Hotter
 Margrethe Hotter
 Area Engineer

Enclosures

MARTIN YATE
1912-1985
FRANK W. YATE
1936-1986
S.P. YATE
1914-2008

7007 1490 0002 7972 5152

(Domestic Mail Only; No For delivery information visit)

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Total

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Street, or P.O. Box Houston, TX 77

City, St.

PS Form 3800, August 2006

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BP America Production Co.
P.O. Box 3092
Houston, TX 77253-3092

2. Article Number

(Transfer from service label)

7007 1490 0002 7972 5152

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1

A. Signature
X

B. Received by (Printed Name)
[Signature]

C. Date of Delivery
MAR 07 2007

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

BP America Production Co.
P.O. Box 3092
Houston, TX 77253-3092

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Sincerely,

[Signature]
Margrethe Hotter
Area Engineer

Enclosures

MARTIN YATE
1912-198
FRANK W. YATE
1936-198
S.P. YATE
1914-200

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Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77

PS Form 3800, August 2006

SENDER: COMPLETE THIS SECTION

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- 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, Inc.
P.O. Box 27570
Houston, TX 77227-7570

2. Article Number

(Transfer from service label)

7007 1490 0002 7972 5145

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Mike Hall

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Mike Hall

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

Ma

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77227-7570

Re: Rosemary SWD #1

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Sincerely,

Margrethe Hotter

Margrethe Hotter
Area Engineer

Enclosures

MARTIN YATES
1912-1985
FRANK W. YATES
1936-1986
S.P. YATES
1914-2008

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Restricted Delivery Fee (Endorsement Required)
Total Postage

Sent To
Exxon Mobil Oil
P.O. Box 4358
Houston, TX 77210-4358

Street, Apt. or PO Box
City, State

PS Form 3800, August 2006

SENDER: COMPLETE THIS SECTION

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- 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:

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210-4358

2. Article Number

(Transfer from service label)

7007 1490 0002 7972 5749

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

James Felder ☐ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**

JAMES FELDER
MAR 07 2011

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

Mar

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210-4358

Re: Rosemary SWD #1

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Sincerely,

Margrethe Hotter
Margrethe Hotter
Area Engineer

Enclosures

MAR 5 2007 1490 0002 7972 5732

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Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	5.85

Total Bureau of Land Management

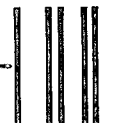
Sent To 620 E. Greene Street

Street, Carlsbad, NM 88220

City, St

PS Form 3800, August 2006

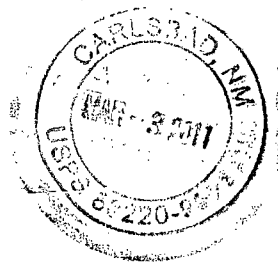
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• Sender: Please print your name, address, and ZIP+4 in this box •

Debbie Chavez
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210



Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

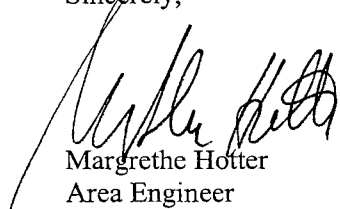
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Sincerely,


Margrethe Hotter
Area Engineer

Enclosures

MARTIN 191
FRANK 193
S.P. 191
7007 2680 0000 5028 9499

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Total F

Sent To
Kaiser-Francis Oil
P.O. Box 21468
Tulsa, OK 74121-1

Street, or PO Box
City, State

PS Form 3800, August 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:

Kaiser-Francis Oil
P.O. Box 21468
Tulsa, OK 74121-1468

2. Article Number

(Transfer from service label)

7007 2680 0000 5028 9499

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Michael W. ...

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

Kaiser-Francis Oil
P.O. Box 21468
Tulsa, OK 74121-1468

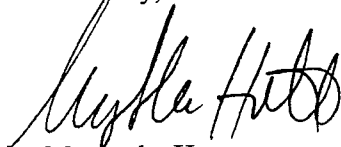
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If you have any questions or need additional information, please call me at (575) 748-4165.

Sincerely,



Margrethe Hotter
Area Engineer

Enclosures

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, May 03, 2011 11:07 AM
To: 'Margrethe Hotter'
Cc: Ezeanyim, Richard, EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from Yates Petroleum Corporation: Rosemary SWD #1 30-025-31227
Bell and Cherry Canyon 4626 - 5730 feet

Hello Margrethe:
Hope your having a nice day?

Just reviewed your application and have a couple questions, hopefully won't take too long.

- a. Would you send the "Before Conversion" and "After Conversion" wellbore diagrams – I didn't see them in this application.
- b. Include plans to set an internal plug inside your well within approx 200 feet of the 5730 feet lower limit of disposal – or as directed by the BLM. You could show this plug in the "After Conversion" wellbore diagram.
- c. This location is in or very close to the R-111-P defined Potash area. Please send notice or get a waiver from the nearest Potash Lessee.
- d. The "notices" sent out with this application to offsetting operators were extensive – but we are asking applicants to let us know exactly what acreage is controlled by the parties being noticed. Please identify the lands owned in the Delaware by each of the parties that were noticed. One way to do this is to send another Midland Map with the ½ mile AOR drawn on it and show the different tracts of land or Leases – and identify which operator has each tract of land leased in the Delaware formation. You may need to pass this request on to your Landman?

Thanks for This,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Injection Permit Checklist (11/15/2010)

WFX _____ PMX _____ SWD 1279 Permit Date 5/11/11 UIC Qtr (A)(M/J)

Wells 1 Well Name(s): Rosemary SWD #1 (was Rosemary ATB Fed #1)

API Num: 30-0 25-31227 Spud Date: 4/26/91 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FSL/660 FWL Unit L Sec 6 Tsp 22S Rge 32E County LEA

General Location: 1980 FSL/660 FWL 2 mi NE of WIPP

Operator: Yata Petroleum Corporation Contact Margarette Heller

OGRID: 25515 RULE 5.9 Compliance (Wells) 4/28/3 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed ✓ Current Status: Non-Commercial complete Rel 7B4-7157

Planned Work to Well: PLUG BACK, CONVERT

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓

Well Details:

	Sizes	Setting	Stage	Cement	Determination
	Hole.....Pipe	Depths	Tool	Sx or Cf	Method
New ___ Existing <u>✓</u> Surface	<u>13 3/8</u>	<u>862</u>		<u>600</u>	<u>CIRC</u>
New ___ Existing <u>✓</u> Intern	<u>8 7/8</u>	<u>4539</u>		<u>1609</u>	<u>CIRC</u>
New ___ Existing <u>✓</u> LongSt	<u>5 1/2</u>	<u>8600</u>	<u>7,322</u>	<u>325/650</u>	<u>CIRC 1/2</u>
New ___ Existing ___ Liner					<u>CIRC 4114</u>
New ___ Existing ___ OpenHole					

Depths/Formations:

	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>4589</u>	<u>Bed C.</u>	<u>✓</u>
Injection TOP:	<u>4626</u>	<u>Delaware</u>	Max. PSI <u>925</u> OpenHole ___ Perfs <u>✓</u>
Injection BOTTOM:	<u>5730</u>	<u>Delaware</u>	Tubing Size <u>3 1/2</u> Packer Depth <u>4526</u>
Formation(s) Below	<u>6687</u>	<u>Brushy C.</u>	<u>✓</u>

Capitan Reef? ___ (Potash) ___ Noticed? Close [WIPP? ___ Noticed? ___] Salado Top/Bot 820-2100 Cliff House? ___

Fresh Water: Depths: <850 Formation ___ Wells? None Analysis? ___ Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Delaware

Disposal Interval: Analysis? ___ Production Potential/Testing: 85

Notice: Newspaper Date 3/15/11 Surface Owner BLM Mineral Owner(s) OK where

RULE 26.7(A) Affected Persons: EMail/ OXY/ EP/ Mgr/ Anty/ Kiri Fern

AOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Wellbore Diagrams? ✓

.....Active Wells 3 Repairs? 0 Which Wells? —

.....P&A Wells 1 Repairs? 0 Which Wells? —

Issues: SET CIBP w/in 200' below or BLM Reg.

Request Sent _____ Reply: _____