

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: YATES PETROLEUM CORPORATION
Address: 105 S. 4 TH STREET ARTESIA, NM 88210
Contact party: THERESA PADILLA Phone: (505)-748-1471
- 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 ☒ 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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: THERESA PADILLA Title: PETROLEUM ENGINEER
Signature: Theresa Padilla Date: 5/30/89
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108
APPLICATION FOR AUTHORIZATION TO INJECT
YATES PETROLEUM CORPORATION
BATE FEDERAL #1
I 3-20S-24E
EDDY COUNTY, NEW MEXICO

- I. The purpose of re-entering this well is to dispose of Dagger Draw-Upper Pennsylvanian produced waters into the Abo formation.

Yates Petroleum plans to deepen the subject well through the Abo and test the well for hydrocarbons. If the test does not show production potential, Yates will convert the well to a disposal well in the Abo formation.

- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Theresa Padilla (505) 748-1471
- III. Well Data: See Attachment A
- IV. This is not an expansion of an existing project.
- V. See attached map, Attachment B
- VI. Tabulation of data on all wells within area of review
(See Attachment C)
- VII. 1. Proposed average daily injection volume
approximately 8000 BWPD.
Maximum daily injection volume approximately 10,000
BWPD.
2. This will be a closed system.
3. Proposed average injection pressure--unknown.
Proposed maximum injection pressure--842 psi.
4. Sources of injected water would be produced water
from the Dagger Draw--Upper Penn (See Attachment D)
5. A chemical analysis is not available in the Abo
on this well. However, a chemical analysis of
the Abo formation should be similar to the
following case:

Order SWD--332 11-19-87
Yates Petroleum Corporation Disposal Well--Abo
Lucas Stone KT State #1
22-17S-28E
Eddy County

(See Attachment E--Chemical Analysis)

VIII. 1. The proposed injection interval is the portion of the Abo Reef consisting of porous dolomite from approximately 4210' to 4500', with possible future perforations in the interval of 4500'--4750'.

2. Fresh water zones overlie the Abo formation at depths to approximately 850 feet. San Andres 380'--840'. There are no fresh water zones underlying the Abo formation.

IX. The proposed disposal interval will be acidized with 10,000 gallons of 15% HCL acid.

X. Logs were filed at your office when the Bate well was drilled by Standard Oil Company of Texas to a total depth of 4220'.

Logs will be furnished when the new TD is reached.

XI. One windmill exists within a mile NW of the subject location in the SE/4 NW/4 of Sec 3-T20S-R24E. The depth is not recorded.

The location of this well is indicated on Attachment F. A water analysis is also attached, with the sample collected June 1, 1989.

XII. Yates Petroleum Corporation has examined available geologic and engineering data and has found that there is no evidence of faulting in the proposed interval.

XIII. Proof of Notice

A. Certified mail receipts sent to surface owner and offset operators--attached.
(Attachment G)

B. Copy of legal advertisement attached.
(Attachment H)

XIV. Certification is signed.

Yates Petroleum Corporation
Bate Federal #1
I 3-20S-24E

ATTACHMENT A
Page 1

III. Well Data

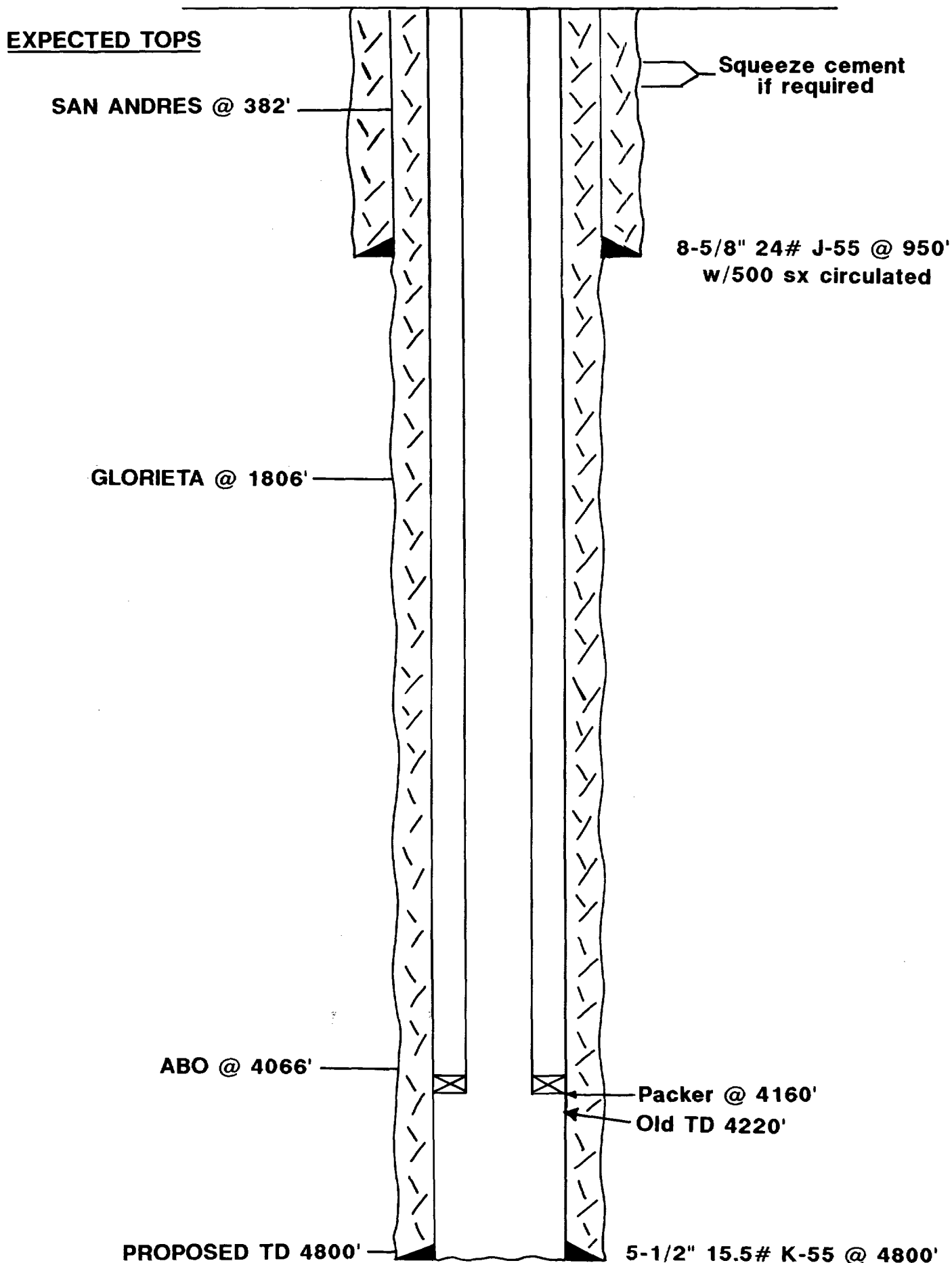
- A. 1. Lease Name/Location:
Bate Federal #1
I 3-20S-24E
1980' FSL & 660' FEL
2. Casing Strings:
8-5/8" 24# J-55 set at 950' with 500 sx-
circulated
- Present TD: 4220'. Will deepen to
approximately 4800' and run 5-1/2" 15.5# K-55
casing, cementing back to the surface.
3. Tubing:
Propose to use 2-7/8" 6.5# J-55 Plastic
coated tubing set at approximately 4160'.
4. Packer:
Propose to use Guiberson Uni VI or Baker
Plastic Coated or Nickel Plated Packer set @
4160'.
- B. 1. Injection Formation: Abo Undesignated
2. Injection Interval will be through
perforations from approximately 4210' to 4750'.
3. Well was originally drilled as a wildcat Abo
well.
4. Perforations: 340'--375'
435'--470'
Plugged 300--450' with 40 sacks
5. Next higher (shallower) oil or gas zone--NONE.
Next lower (deeper) oil or gas zone is the
Canyon at approximately 7490'.

Spud: 1-6-61
P & A: 2-21-61

BATE FEDERAL #1



DIAGRAMATIC SKETCH OF
 PROPOSED SALT WATER DISPOSAL WELL



Propose to open 7-7/8" hole from surface to old TD of 4220' and to drill approximately 580' of new hole. Plan to run approximately 4800' of 5-1/2" 15.5# K-55 casing, circulating cement back to surface. Will DST the Abo formation; if no hydrocarbons are present, will complete well for salt water disposal with 2-7/8" 6.5# J-55 plastic-coated tubing and Guiberson VI or Baker plastic-coated or nickel-plated packer set @ 4160', and an inert fluid with inhibitors in the annulus.

JUN 29 1989

(ATTACHMENT C)
Page 1

Date Federal #1
Form C-108 (VI) Attachment
Tabulation of Data on Wells Within Area of Review

Well Name/Location	Operator	Well Type	Spud Date	Completion Date	TD (ft)	Production Zone	Perforations	Completion Information
Cholla ABE Fed #1 13-20S-24E 2080' FSL & 660' FHL	Yates Pet	Oil	02-28-89	still completing	9440	Canyon	7743'-7776' 9274'-9290' 9093'-9098'	Canyon Perforations-acidized w/4000 gals 20% NEFE. Completing well in Canyon. Austin Cycle (lime) Perforations-acidized w/12,500 gals 15% NEFE Morrow Perforations-acidized w/2,000 gals 7-1/2% Morrow acid-sand fractured w/29,000 gals x-link gel; 10,000 gals CO2 & 27,500# 20/40 sand 20" surface-conductor pipe @ 25' cemented to surface 9-5/8" 36# J-55 @ 1200' w/850 sx circulated 7" 23# & 26# N-80 & 28# J-55 @ 9440' w/2300 sx circulated 2-7/8" N-80 tubing Plugs set at: 4266'-4360' w/25 sx 2453'-2579' w/33 sx 1861'-1987' w/33 sx 1018'-1144' w/33 sx 5 sx plug at surface
State 2 #1 M 2-20S-24E 600' FSL & 600' FHL	Standard Oil of Texas	F&A	11-27-65	12-12-65	4424	NONE	NONE	13-3/8" 48# J-55 @ 63' cemented to surface 8-5/8" 24# J-55 @ 1129' w/700 sx cemented to surface

ATTACHMENT D

1343-A

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

MIDLAND DIVISION

ARTESIA, NEW MEXICO 88210

LABORATORY WATER ANALYSIS

No. W65, W66, & W67-88To Yates Petroleum Corporation

Date _____

105 South Fourth StreetArtesia, NM 88210

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

County _____ Field _____ Source _____

	Ross EG Fed. #2	Foster AN Com. #1	Parish IV Comm.
Resistivity91 @ 60°	.9 @ 60°	.89 @ 60°
Specific Gravity	1.005 @ 60°	1.005 @ 60°	1.005 @ 60°
pH	7.5	7.3	7.0
Calcium (Ca)	1,000	1,000	1,000 *MPL
Magnesium (Mg)	600	500	650
Chlorides (Cl)	4,000	5,000	5,000
Sulfates (SO ₄)	Heavy	Heavy	Heavy
Bicarbonates (HCO ₃)	1,200	1,000	1,100
Soluble Iron (Fe)	Nil	Nil	Nil
.....			
.....			
.....			

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Art Carrasco - District Engineer

HALLIBURTON COMPANY

cc:

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

MIDLAND DIVISION

HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. 379-417To Yates Petroleum CorporationDate 5-2-79207 S. 4th StreetArtesia, New Mexico

This report is the property of Halliburton Company and not
it nor any part thereof nor a copy thereof is to be published
or disclosed without first securing the express written approval
of laboratory management; it may however, be used in the
course of regular business operations by any person or company
and employees thereof receiving such report from Halliburton
Company.

Submitted by _____ Date Rec. 5-1-79Well No. Lucas Stone #1 Depth 66' 3" Formation ~~Wolfcamp~~ Abo UpperCounty Eddy Field W.C. Source (DST #1)

	Sampler	Middle of Recovery	Fit Sample
Resistivity	0.167 @ 74°F.	0.179 @ 74°F.	0.194 @ 74°F.
Specific Gravity	1.027		
pH	8.0		
Calcium (Ca)	2,200		*Ml
Magnesium (Mg)	Nil		
Chlorides (Cl)	18,500	18,500	15,500
Sulfates (SO ₄)	1,100		
Bicarbonates (HCO ₃)	2,240		
Soluble Iron (Fe)	Nil		
API Gr. -	42.6 @ 60°F.		

Top of Recovery - 100% Oil - API Gr. @ 60°F. - 42.6

Remarks:

K = 1.02

*Milligrams per liter

Respectfully submitted,

Analyst: Freder
cc:

HALLIBURTON COMPANY

By _____

CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL
NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

ATTACHMENT E (page 2)
HALLIBURTON DIVISION LABORATORY
HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. 579-421

To Yates Petroleum Corporation

Date 5-2-79

207 S. 4th Street

Alameda, New Mexico

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 5-2-79

Well No. Lucas Stone KT St. #1 Depth 4213' Formation Lower Alb

County Eddy Field W.C. Source DST #2

	Sampler	Top of Fluid	Fluid Change
Resistivity	0.180 @ 74° F.	0.218 @ 74° F.	0.218 @ 74° F.
Specific Gravity	1.030		
pH	7.0		
Calcium (Ca)	3.000		*MPL
Magnesium (Mg)	Nil		
Chlorides (Cl)	22,500	14,500	14,500
Sulfates (SO ₄)	2,300		
Bicarbonates (HCO ₃)	2,025		
Soluble Iron (Fe)	Nil		

Fit sample - Res. @ 74° F. - 0.281

Chlorides, ml - 11,000

Remarks:

R_w = 0.109 @ 2117

*Milligrams per liter

Lab. 10-12-79

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By _____

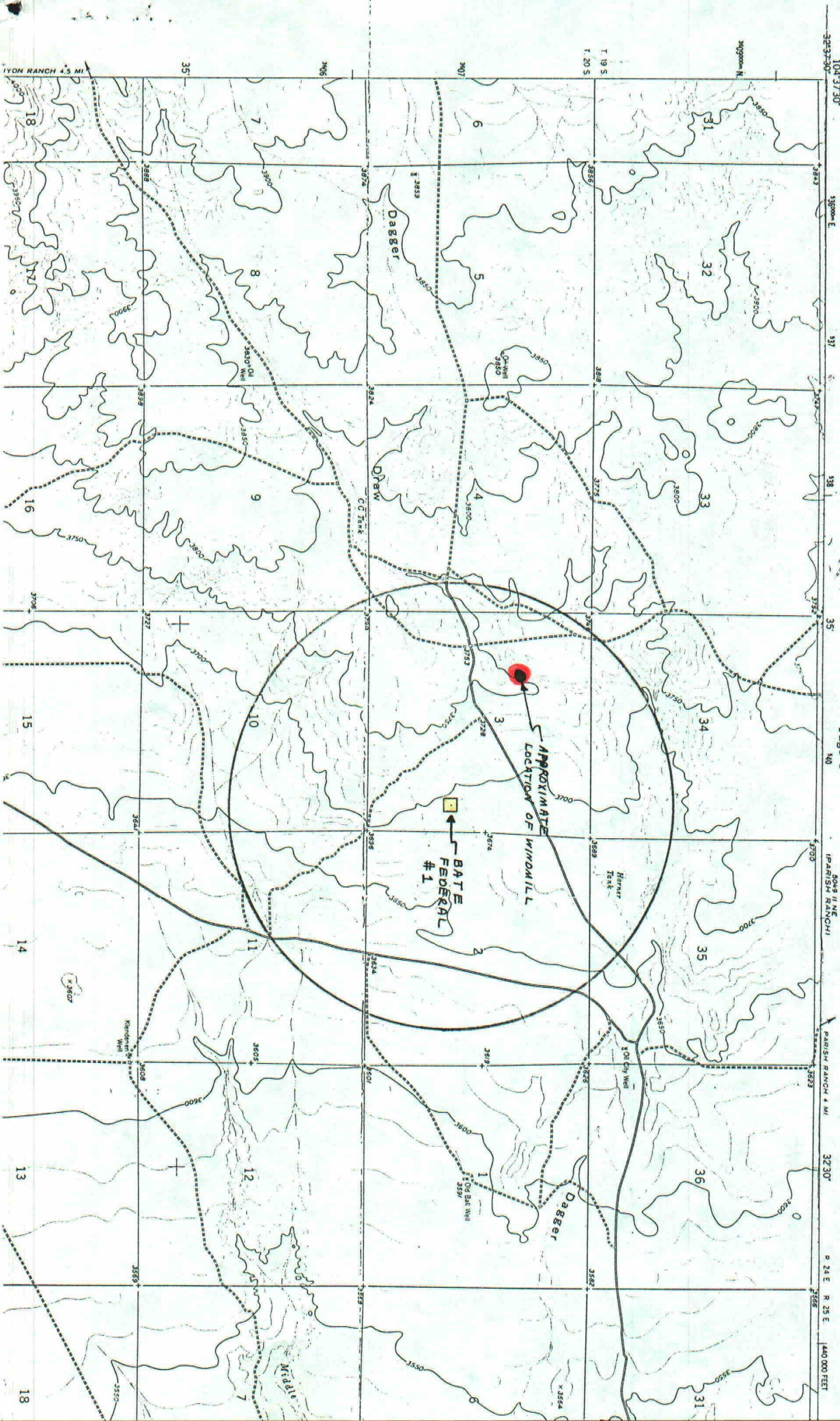
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ATTACHMENT F
Page 1



HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. _____

TO YATESDate 6-2-89

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof, is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services

Submitted by THERESA PADILLA Date Rec. 6-2-89Well No. Windmill by BATE FED #1 Depth _____ Formation _____Field SE 1/4 NW 1/4 Sec 3 T20S R29E County EDDY Source _____Resistivity 1.77 @ 65°Specific Gravity .. 1.002 @ 60pH 6.8Calcium 1120Magnesium 300Chlorides 1000Sulfates Less than 200Bicarbonates 150Soluble Iron Nil

Remarks:


Respectfully submitted

Analyst: _____

HALLIBURTON SERVICES

NOTICE:

This report is for information only and the content is limited to the sample described. Halliburton makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof

ATTACHMENT G



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Larue & Muncy
P. O. Box 470
Artesia, New Mexico 88210

Dear Sir:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

TXO Production Company
900 Wilco Building
Midland, Texas 79701

Dear Sir:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Theresa Padilla'.

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Dear Sir:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Santa Fe Energy Company
500 West Illinois
Midland, Texas 79701-4319

Dear Sir:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Clifford Cone
P. O. Box 6010
Lubbock, Texas 79413

Dear Mr. Cone:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Tom R. Cone
P. O. Box 778
Jay, Oklahoma 74346

Dear Mr. Cone:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

June 9, 1989

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

CERTIFIED RETURN RECEIPT

Douglas L. Cone
P. O. Box 13612
Albuquerque, New Mexico 87192

Dear Mr. Cone:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Kathleen Cone
P. O. Drawer 1509
Lovington, New Mexico 88260

Dear Ms. Cone:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Kenneth G. Cone
P. O. Box 11310
Midland, Texas 79702

Dear Mr. Cone:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Theresa Padilla'.

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure



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

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 9, 1989

CERTIFIED RETURN RECEIPT

Cathie Cone Auvenshine
P. O. Box 33280-296
Austin, Texas 78764

Dear Ms. Auvenshine:

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Bate Federal #1 located in unit I of Section 3-T20S-R24E.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Theresa Padilla'.

Theresa Padilla
Petroleum Engineer

TP/cvg

Enclosure

ATTACHMENT H

LEGAL NOTICE

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 Commission seeking administrative approval for an injection well. The proposed well, the "Bate Federal #1", is located 1980' FSL & 660' FEL of Section 3, Township 20 South, Range 24 East of Eddy County, New Mexico, will be used for saltwater disposal only. Disposal waters from the Dagger Draw--Upper Pennsylvanian will be injected into the Abo Formation at a depth of 4210--4750 feet with a maximum pressure of 842 psi and a maximum rate of 10,000 BWPD.

All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501, within 15 days. Additional information can be obtained by contacting Theresa Padilla at (505) 748-1471.

Published in the Artesia Daily Press, Artesia, NM, June 7, 1989.

Affidavit of Publication

Copy of Publication

No. 12788

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 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 days
consecutive weeks on
the same day as follows:

First Publication June 7, 1989

Second Publication

Third Publication

Fourth Publication

and that payment therefore in the amount of \$
has been made.

Subscribed and sworn to before me this 7th day
of June, 1989.

Burton A. Beane
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1991

LEGAL NOTICE

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 Commission seeking administrative approval for an injection well. The proposed well, the "Bate Federal #1", is located 1980' FSL & 660" FEL of Section 3, Township 20 South, Range 24 East of Eddy County, New Mexico, will be used for salt-water disposal only. Disposal waters from the Dagger Draw--Upper Pennsylvanian will be injected into the Abo Formation at a depth of 4210--4750 feet with a maximum pressure of 842 psi and a maximum rate of 10,000 BWPD.

All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87501, within 15 days. Additional information can be obtained by contacting Theresa Padilla at (505) 748-1471.

Published in the Artesia Daily Press, Artesia, N.M. June 7, 1989.

Legal 12788

OPERATIONS COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-58143
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SWD <input type="checkbox"/> Re-Entry <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION		7. UNIT AGREEMENT NAME -
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Bate Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 660' FEL, Unit I At proposed prod. zone Same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 26 miles Southwest of Artesia, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat Abo
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3-20S-24E
16. NO. OF ACRES IN LEASE 479.72		12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL SWD		13. STATE New Mexico
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3691 GR		22. APPROX. DATE WORK WILL START* ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7 7/8"	8 5/8"-in place	24# S-55	950'	Cement circulated to surface
	5 1/2"	15.5# K-55	TD	Cement back to surface

Yates Petroleum Corporation proposes to re-enter and convert the well to a disposal well. This well was originally drilled by Standard of Texas in 1961 and plugged 2-21-61. Yates will drill out cement plugs at the surface, 300', 1780', 2430' and 4025' cleaning hole out to original TD of 4220'. Yates then will deepen the hole to a proposed depth of 4800' and run 5 1/2" casing to TD and circulate to surface. Perforate an interval from 4500'-4750' and acidize with 10,000 gallons of 15% HCL acid. Set packer at 4160' and inject produced water into the perforations. A C-108 has been filed with the State.
Mud Program: Cut Brine to TD
BOP Program: Will be installed at offset and tested daily as to operational.

Subject to
Like Approval
by State

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Clifton R. May TITLE PERMIT AGENT DATE 6-12-89
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
AREA MANAGER
CARLSBAD RESOURCE AREA

APPROVED BY Sandra L. Poynter TITLE _____ DATE 7-12-89
CONDITIONS OF APPROVAL IF ANY:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

JUL 13 1989

OIL CONSERVATION DIV.
SANTA FE