



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Oil Conservation Division
1220 S Francis Dr
Santa Fe, NM 87505

RE: Proposed;
MC _____
DHC _____
NSL _____
NSP _____
SWD _____ **X**
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Yates Petroleum Corp

State BD #1-M, 2-8s-31e

30-005-10239

Operator

Lease & Well No. Unit-S-T-R

API #

And my recommendations are as follows:

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District I

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



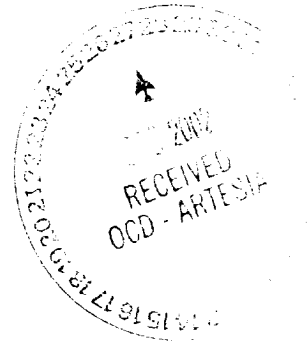
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

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

December 3, 2002

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
1301 W. Grand
Artesia, NM 88210



Dear Mr. Gum,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed State BD #1 located in Unit M of Section 2-8S-31E, Chaves County, New Mexico.

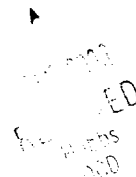
Should you have any questions, please feel free to contact me at (505) 748-4182.

Sincerely,

James W. Pringle
Operations Engineer

JWP/cm

Enclosure



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



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SECRETARY
DENNIS G. KINSEY
TREASURER

December 18, 2002

Pride Energy
P.O. Box 70195
Tulsa, Oklahoma 74170-1950

Re: State BD #1

Gentlemen;

Yates Petroleum Corporation has made an application with the Oil Conservation Division for administrative approval for a "Salt Water Disposal Well", the State BD #1 located in Unit M, Section 2 Township 8 South, Range 31 East, Chaves County, New Mexico.

Please find enclosed a copy of Form C-108 "Application for Authorization to Inject".

If you should have any questions please feel free to contact me at (505) 748-4182.

Sincerely,

James W. Pringle
Operations Engineer

JWP/cm

Enclosure



Handwritten notes: "JWP", "Hobbs", "OCD"

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7000 1530 0000 1625 4888

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

Postmark
Here

Sent To *Trade Energy*
Street, Apt. No.; or PO Box No. *Box 70195*
City, State, ZIP+4 *Ind. IN OK 74701-1950*

State BP #1 54
Cherry Watson

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OK 5001
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MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

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SECRETARY
DENNIS G. KINSEY
TREASURER

December 3, 2002

State of New Mexico
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-5472



Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed State BD #1 located n Unit M of Section 2-8S-R31E, Chaves County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4182.

Sincerely,

A handwritten signature in cursive script that reads 'James W. Pringle'.

James W. Pringle
Operations Engineer

JWP/cm

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

State BD #1

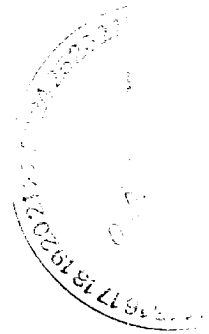
- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR:
ADDRESS: 105 South 4th Street, _____ Artesia, New Mexico 88210
CONTACT PARTY: James W. Pringle _____ PHONE: (505) 748-4182
- 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: James W. Pringle _____ TITLE: Operations Engineer
SIGNATURE: James W. Pringle _____ DATE: December 2, 2002
- * 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

**C-108 Application for Authorization to Inject
Yates Petroleum Corporation
State BD #1
Unit M Sec. 2, T8S, R31E
Chaves County, New Mexico**

- I. The purpose of completing this well is to make a disposal well for produced Canyon water into the Canyon.
- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Sam Brandon (505) 748-4281
- 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 no wells within the area of review penetrating the proposed injection zone.
- VII.
 1. Proposed average daily injection volume approximately 400 BWPD. Maximum daily injection volume approximately 500 BWPD.
 2. This will be a closed system.
 3. Proposed average injection pressure 1600 psi.
Proposed maximum injection pressure 2000 psi.
 4. Sources of injected water would be produced water from the San Andres. (Attachment C & D)
- VIII. The proposed injection interval is San Andres 3,900'-4,100'.

Underground water sources of drinking water are in the Alluvial fill from surface to 300'.
- IX. The proposed disposal interval may be acidized with 15-20% HCL acid.



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JAN 2003
RECEIVED
Hobbs
OCD

- X. Logs will be filed at your office. Any new logs run after completing will also be submitted to your office.
- XI. There are two windmills that exists within a one mile radius of the subject location. Chemical analysis' of the water from these wells are attached. (Attachment C &D)
- XI. Available engineering and geologic data have been examined and no evidence of open faults or hydrologic connection between the disposal zone and any underground sources of drinking water has been found. (Attachment E)
- XII. Proof of notice.
 - A. Certified letters sent to the surface owner are attached. (Attachment F)There are no offset operators.
 - B. Copy of legal advertisement attached. (Attachment G)
- XIV. Certification is signed.

A
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FILED
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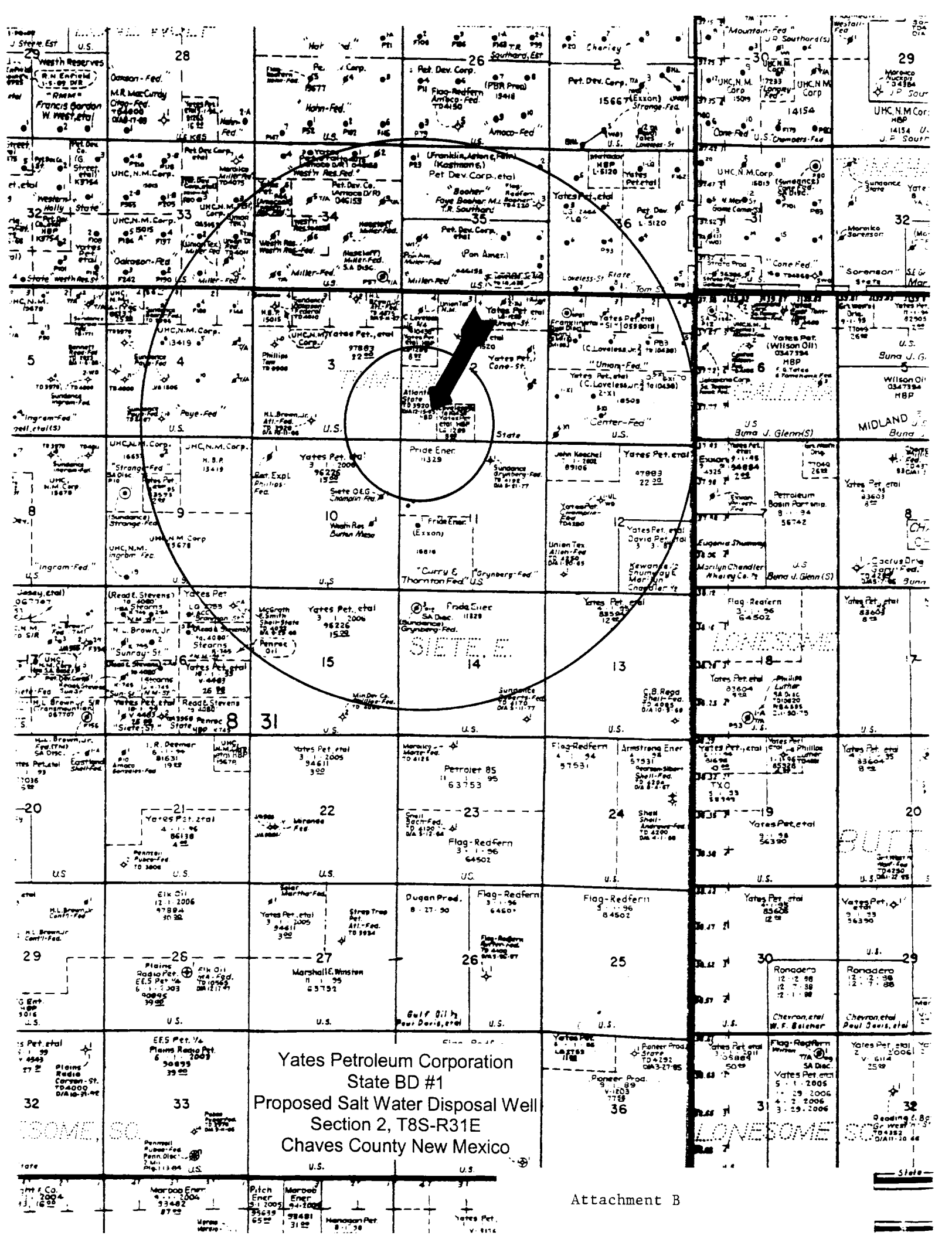
**Yates Petroleum Corporation
State BD #1
M-2-8S-R26E**

Attachment A

III. Well Data

- A.**
1. Lease Name/Location
State BD #1
M-2-8S-31E
660' FSL & 660' FWL
 2. Casing Strings:
 - a. Proposed well condition:
See Attachment A-Proposed Status
8 5/8" 24#, J-55, ST&C @ 334' (circ)
5 1/2" 15.50#, J-55, ST&C @ 4,125'
2 7/8" plastic-coated tubing w/nickel plated Guiberson Uni VI
packer @ 3,850' +/-
 3. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 3,850' +/-.
- B.**
1. Injection Formation: San Andres.
 2. Injection interval into cased hole perforation 3,900'-4,100'.
 3. Well was originally drilled as an exploratory San Andres well. Well will be a San Andres water disposal well when work is completed.
 4. Next higher (shallower) oil or gas zone within 2 miles—None.
Next lower (deeper) oil or gas zone within 2 miles—None.





**MILLER CHEMICALS, INC.**

Post Office Box 298
Artesia, N.M. 88211-0298
(505) 746-1919 Artesia Office
(505) 393-2893 Hobbs Office
(505) 746-1918 Fax

WATER ANALYSIS REPORT

Company : YATES PETROLEUM Date : 12/9/02
Address : ARTESIA, NM Date Sampled : UNKNOWN
Lease : WINDMILL Analysis No. : 00541
Well : 11/2MI W. ST BD #1 SWD
Sample Pt. : UNKNOWN

ANALYSIS		mg/L	* meq/L
-----		----	-----
1. pH	7.1		
2. H ₂ S	0		
3. Specific Gravity	1.010		
4. Total Dissolved Solids		6206.4	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO ₂		NR	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO ₃)			
10. Methyl Orange Alkalinity (CaCO ₃)			
11. Bicarbonate	HCO ₃	195.0	HCO ₃ 3.2
12. Chloride	Cl	2982.0	Cl 84.1
13. Sulfate	SO ₄	800.0	SO ₄ 16.7
14. Calcium	Ca	360.0	Ca 18.0
15. Magnesium	Mg	121.7	Mg 10.0
16. Sodium (calculated)	Na	1747.2	Na 76.0
17. Iron	Fe	0.5	
18. Barium	Ba	NR	
19. Strontium	Sr	NR	
20. Total Hardness (CaCO ₃)		1400.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
-----	-----	-----	-----
18 *Ca <----- *HCO ₃ 3	Ca (HCO ₃) ₂	81.0	3.2 259
/----->	CaSO ₄	68.1	14.8 1005
10 *Mg -----> *SO ₄ 17	CaCl ₂	55.5	
<-----/	Mg (HCO ₃) ₂	73.2	
76 *Na -----> *Cl 84	MgSO ₄	60.2	1.9 114
-----	MgCl ₂	47.6	8.1 387
Saturation Values Dist. Water 20 C	NaHCO ₃	84.0	
CaCO ₃ 13 mg/L	Na ₂ SO ₄	71.0	
CaSO ₄ * 2H ₂ O 2090 mg/L	NaCl	58.4	76.0 4441
BaSO ₄ 2.4 mg/L			

REMARKS:

SCALE TENDENCY REPORT

Company : UYATES PETROLEUM Date : 12/9/02
Address : ARTESIA, NM Date Sampled : UNKNOWN
Lease : WINDMILL Analysis No. : 00541
Well : 11/2MI W. ST BD #1 SWD Analyst : A. MILLER
Sample Pt. : UNKNOWN

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO3 Scaling Tendency

S.I. = 0.0 at 70 deg. F or 21 deg. C
S.I. = 0.1 at 90 deg. F or 32 deg. C
S.I. = 0.1 at 110 deg. F or 43 deg. C
S.I. = 0.1 at 130 deg. F or 54 deg. C
S.I. = 0.2 at 150 deg. F or 66 deg. C

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S = 2244 at 70 deg. F or 21 deg C
S = 2287 at 90 deg. F or 32 deg C
S = 2301 at 110 deg. F or 43 deg C
S = 2286 at 130 deg. F or 54 deg C
S = 2261 at 150 deg. F or 66 deg C

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GCC

Respectfully submitted,
A. MILLER

**MILLER CHEMICALS, INC.**

Post Office Box 298
Artesia, N.M. 88211-0298
(505) 746-1919 Artesia Office
(505) 393-2893 Hobbs Office
(505) 746-1918 Fax

WATER ANALYSIS REPORT

Company : YATES PETROLEUM
Address : ARTESIA, NM
Lease : WINDMILL
Well : 1 MI N.E. ST BD SWD
Sample Pt. : UNKNOWN

Date : 12/9/02
Date Sampled : UNKNOWN
Analysis No. : 00542

ANALYSIS		mg/L	* meq/L
-----		----	-----
1. pH	7.1		
2. H ₂ S	0		
3. Specific Gravity	1.010		
4. Total Dissolved Solids		6063.8	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO ₂		NR	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO ₃)			
10. Methyl Orange Alkalinity (CaCO ₃)			
11. Bicarbonate	HCO ₃	390.0	HCO ₃ 6.4
12. Chloride	Cl	3408.0	Cl 96.1
13. Sulfate	SO ₄	75.0	SO ₄ 1.6
14. Calcium	Ca	200.0	Ca 10.0
15. Magnesium	Mg	194.4	Mg 16.0
16. Sodium (calculated)	Na	1795.8	Na 78.1
17. Iron	Fe	0.5	
18. Barium	Ba	NR	
19. Strontium	Sr	NR	
20. Total Hardness (CaCO ₃)		1300.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	mg/L
-----	-----	-----	-----
10 *Ca <----- *HCO ₃ 6	Ca(HCO ₃) ₂	81.0	519
----- /-----> -----	CaSO ₄	68.1	106
16 *Mg -----> *SO ₄ 2	CaCl ₂	55.5	112
----- <-----/ -----	Mg(HCO ₃) ₂	73.2	
78 *Na -----> *Cl 96	MgSO ₄	60.2	
-----	MgCl ₂	47.6	762
Saturation Values Dist. Water 20 C	NaHCO ₃	84.0	
CaCO ₃ 13 mg/L	Na ₂ SO ₄	71.0	
CaSO ₄ * 2H ₂ O 2090 mg/L	NaCl	58.4	4565
BaSO ₄ 2.4 mg/L			

REMARKS:

SCALE TENDENCY REPORT

Company	: YATES PETROLEUM	Date	: 12/9/02
Address	: ARTESIA, NM	Date Sampled	: UNKNOWN
Lease	: WINDMILL	Analysis No.	: 00542
Well	: 1 MI N.E. ST BD SWD	Analyst	: J. MILLER
Sample Pt.	: UNKNOWN		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO₃ Scaling Tendency

S.I. =	0.1	at	70 deg. F	or	21 deg. C
S.I. =	0.1	at	90 deg. F	or	32 deg. C
S.I. =	0.2	at	110 deg. F	or	43 deg. C
S.I. =	0.2	at	130 deg. F	or	54 deg. C
S.I. =	0.3	at	150 deg. F	or	66 deg. C

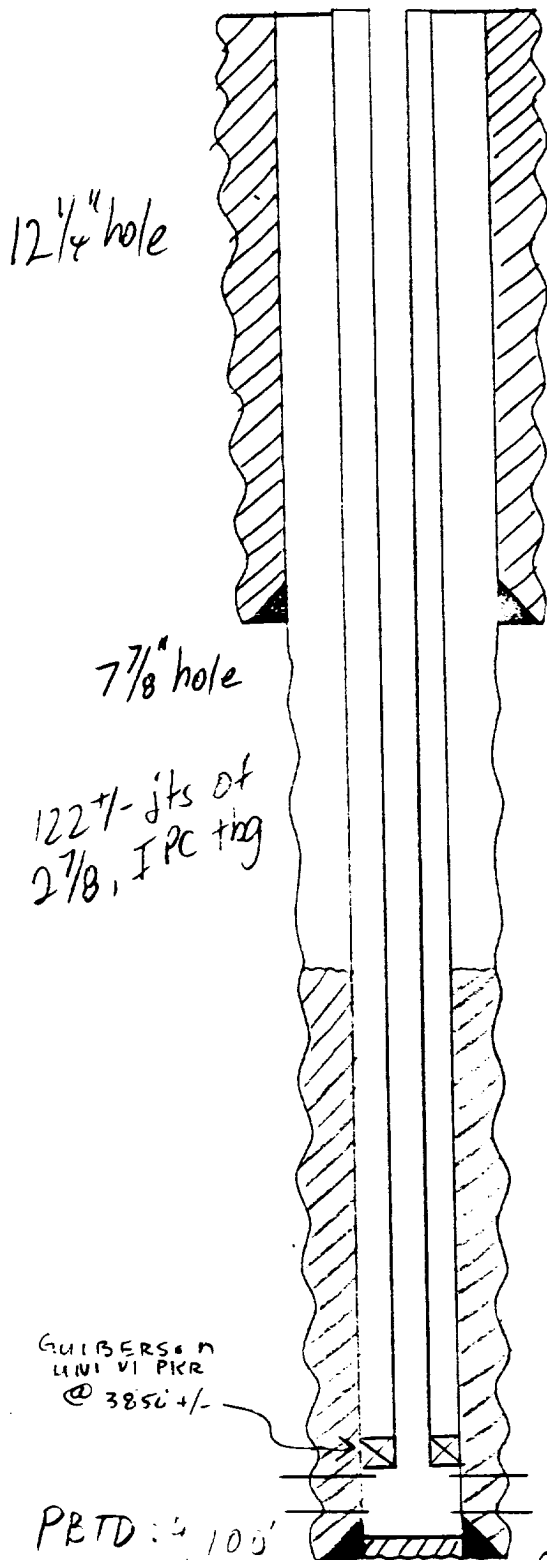
CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S =	1951	at	70 deg. F	or	21 deg C
S =	1991	at	90 deg. F	or	32 deg C
S =	2004	at	110 deg. F	or	43 deg C
S =	1989	at	130 deg. F	or	54 deg C
S =	1964	at	150 deg. F	or	66 deg C

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003Respectfully submitted,
J. MILLER

WELLNAME: State "B" #1 FIELD: Tom Tom (San Andres)
 LOCATION: 660' FSL & 660' FWL, Sec 2, T8S, R31E, Chaves Co, NM
 GL: 4,342' ZERO: _____ AGL: _____ KB: 4,351'
 SPUD DATE: 12/4/65 COMPLETION DATE: _____
 COMMENTS: _____

CASING PROGRAM	
SIZE/WT/GR/CONN	DEPTH SET
8 5/8", 24.0 #/ft, J-55, STL	334'
5 1/2", 15.50 #/ft, J-55, STL	4,125'



After

8 5/8" @ 334', CMTD w/ 150 SACKS, CMT circ. to surface

TOC. 3,000' +/-

San Andres

3,900' - 4,100'

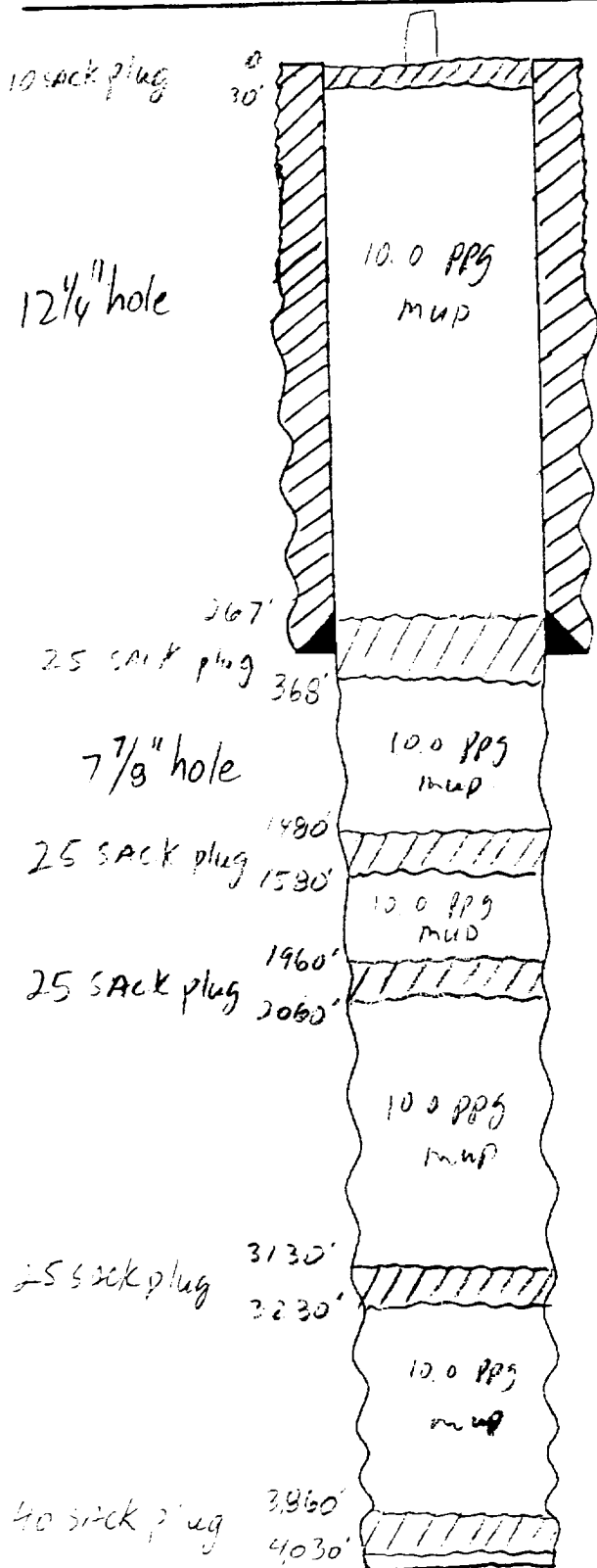
PBTD: 4,100'

5 1/2" set @ 4,125', CMTD w/ 300 +/- SACKS
 DATE: 11/27/02 JWR

SKETCH NOT TO SCALE

WELLNAME: State "BD" #1 FIELD: Tom Tom (San Andras)
 LOCATION: 660' FSL & 660' FWL, Sec 2, T8S, R31E, Chaves Co, NM.
 GL: 4,342' ZERO: _____ AGL: _____ KB: 4,351'
 SPUD DATE: 12/4/65 COMPLETION DATE: 12/15/65
 COMMENTS: _____

CASING PROGRAM	
SIZE/WT/GR/CONN	DEPTH SET
8 5/8", 24.0 #/ft, J-55, ST&C	334'



before

8 5/8" set @ 334', cmt'd w/ 150 sacks, cmt circ to surface

JAN 2003
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 Hobbs
 COO

DATE: 11/27/02 Thuf

- SKETCH NOT TO SCALE -

Attachment E

C-108 application for Authorization to Inject
Yates Petroleum Corporation
State BD #1
Section 2, T8S-R31E
Chaves County, New Mexico

Available engineering and geologic 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.

H. Tim Miller

12-18-02

Tim Miller
Geologist
Yates Petroleum Corporation

Date

AFFIDAVIT OF PUBLICATION

COUNTY OF CHAVES
STATE OF NEW MEXICO

I, Fran Saunders
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time

beginning with the issue dated

December 8th 2002

and ending with the issue dated

December 8th 2002

Fran Saunders
Clerk

Sworn and subscribed to before me

This 12th day of December 2002

Marilyn Shipper
Notary Public

My Commission expires
July 25, 2006

(SEAL)

Publish December 8, 2002

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 Conservation Division seeking administrative approval for an injection well. The proposed well the State BD #1 located 660' FSL & 660' FWL of Section 2, Township 8 South, Range 31 East of Chaves County, New Mexico, will be used for salt water disposal. Disposal waters from the San Andres will be re-injected into the San Andres at a depth of 3,900'-4,100' with a maximum pressure of 2000 psi and a maximum rate of 500 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 James W. Pringle at (505) 748-4182.

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 Conservation Division seeking administrative approval for an injection well. The proposed well the State BD #1 located 660' FSL & 660' FWL of Section 2, Township 8 South, Range 31 East of Chaves County, New Mexico, will be used for salt water disposal. Disposal waters from the San Andres will be re-injected into the San Andres at a depth of 3,900'-4,100' with a maximum pressure of 2000 psi and a maximum rate of 500 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 James W. Pringle at (505) 748-4182.