

12/22/09 1/7/09 WVS 12/22/09 SWD PUNK 1000552215

TAXED in

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Valer Petroben Gyn
(25575)

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] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ 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

5850-6450
Cherry Canyon
11/10/09

- [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.

Mayra Herrera
Print or Type Name

Signature

Title

Date

e-mail Address

mherrera@nmtc.com

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471
2009 DEC 18 PM 2 33

December 17, 2009

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

Re: Lotus SWD #12

Kiwi SWD #5

Kiwi SWD #10

Dear Sirs:

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

If you have any questions or need additional information, please call me at (575) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosure

**C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Kiwi SWD #10
Unit K, 1980' FSL & 1980' FWL, Sec. 16, 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 6 wells within the area of review that penetrate the proposed injection zone, 1 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 – 1170 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 5850'-6450'.**

**Application for Authorization to Inject
Kiwi SWD #10**

-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 within a one-mile radius of the subject location.**
- XII. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval. (Attachment G)**
- XIII. Proof of notice.**
 - A. Certified letters sent to the surface owner and offset operators attached (Attachment E)**
 - B. Copy of legal advertisement attached. (Attachment F)**
- XIV. Certification is signed.**

**Yates Petroleum Corporation
Kiwi SWD #10
K-16-T22S-R32E
Lea County, New Mexico**

Attachment A

III. Well Data

- A.
1. Lease Name/Location
Kiwi SWD #10
(Prev. Kiwi AKX St #10)
K-16-T22S-R32E
1980' FSL & 1980' FWL
 2. Casing Strings:
 - a. Present well condition
13 3/8", 48# H040 @ 855' w/750 sx (circ)
8 5/8", 32# J-55 @ 4,595' w/1450 sx (circ).
5 1/2", 15.5# & 17# @ 8,322' w/DV tool @ 4,518'.
Stage 1: 575sx (TOC @ 5364, CBL)
Stage 2: 600sx
 - b. Present Status:
Non-commercial completion in Delaware at 8258'-8264', 8502'-
8510', 8616'-8634', 8662'-8670'
 3. Proposed well condition:
Casing same as above.
Set a CIBP @ 8208' and cap with 35' cement.
3 1/2" 9.3 J55 or 2-7/8" 6.5 J55 plastic-coated injection tubing @ 5750'
 4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 5600'.
- B.
1. Injection Formation: Delaware Sands
 2. Injection Interval will be through perforations from approximately 5850'-6450' 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 5850'-6450'.
 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: Kiwi "AKX" State No. 10 **FIELD:** _____
LOCATION: 1,980' FSL & 1,980' FWL Sec 16-22S-32E **Lea CountyNM**
GL: 3,719' **ZERO:** _____ **KB:** 3,734'
SPUD DATE: 10-10-02 **COMPLETION DATE:** 11-6-02
COMMENTS: API # 30-025-36006

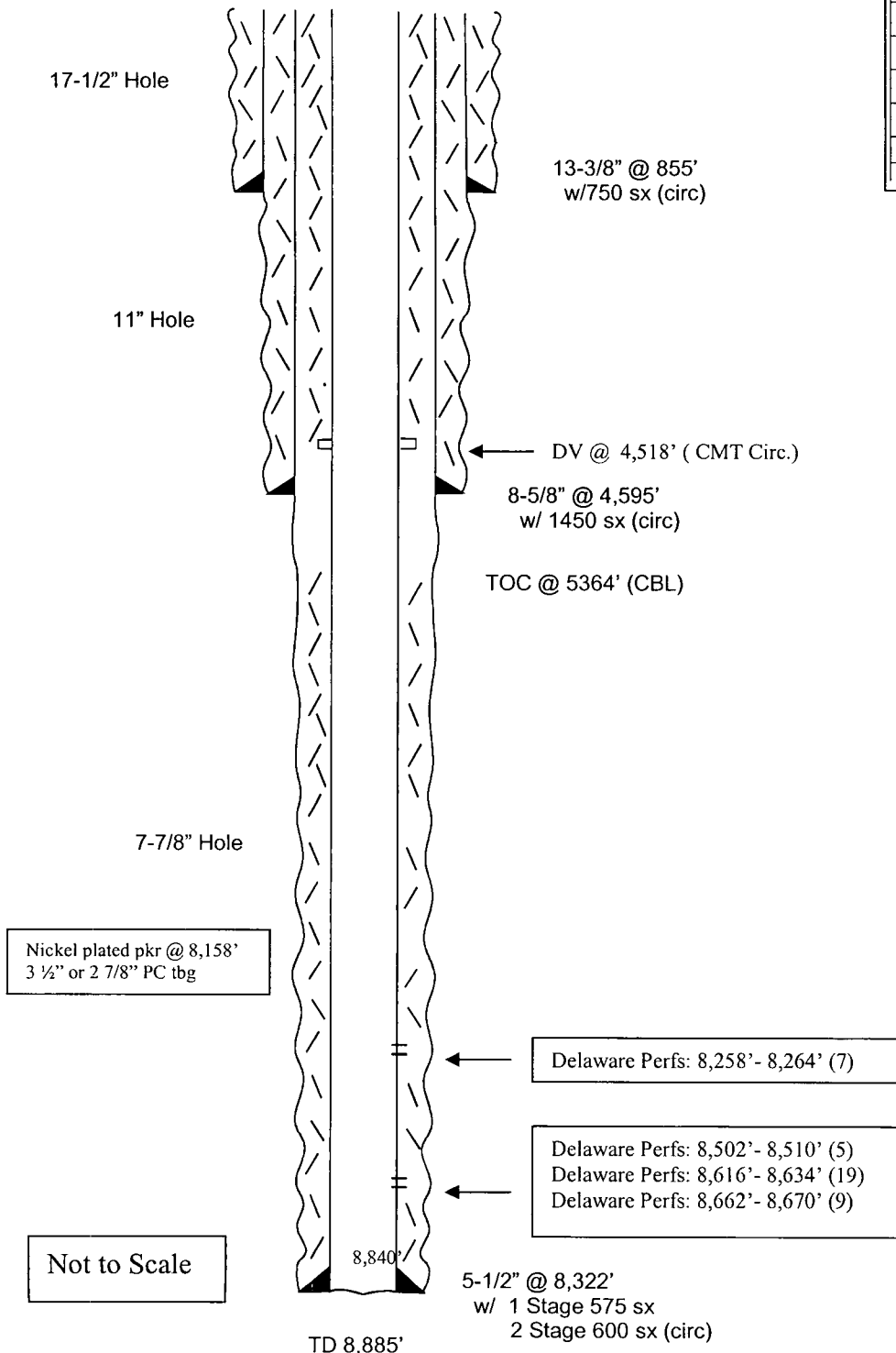
CASING PROGRAM

13-3/8" 48# H40 ST&C	855'
8-5/8" 32# J55 ST&C	4,595'
Surface	
5-1/2" 17# J55 LT&C	257.66'
5-1/2" 15.5 J55 LT&C	6,535.28'
5-1/2" 17# N80 LT&C	975.28'
5-1/2" 17# L80 LT&C	1,111.53'
Bottom	8,885'

Before

TOPS

Rustler	886'
Top of Salt	968'
Base of Salt	4,450'
Bell Canyon	4,754'
Cherry Canyon	5,740'
Brushy Canyon	7,440'
BS	8,706'



WELL NAME: Kiwi "AKX" State No. 10

FIELD:

LOCATION: 1,980' FSL & 1,980' FWL Sec 16-22S-32E

Lea County NM

GL: 3,719' ZERO: KB: 3,734'

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Bottom	8,885'

After

TOPS

Rustler	886'
Top of Salt	968'
Base of Salt	4,450'
Bell Canyon	4,754'
Cherry Canyon	5,740'
Brushy Canyon	7,440'
BS	8,706'

17-1/2" Hole

11" Hole

13-3/8" @ 855'
w/750 sx (circ)

DV @ 4,518' (CMT Circ.)

8-5/8" @ 4,595'
w/ 1450 sx (circ)

TOC @ 5364' (CBL)

Nickel plated pkr @ 5,750'
3 1/2" or 2 7/8" PC tbgInjection interval: Porous sands in the
interval 5850'-6,450'

7-7/8" Hole

6,700'

Delaware Perfs: 8,258' - 8,264' (7)

Delaware Perfs: 8,502' - 8,510' (5)
Delaware Perfs: 8,616' - 8,634' (19)
Delaware Perfs: 8,662' - 8,670' (9)

Not to Scale

8,840'

5-1/2" @ 8,322'
w/ 1 Stage 575 sx
2 Stage 600 sx (circ)

TD 8,885'

Attachment "C"

Kiwi SWD #10
Form C-108

Tabulation of data on wells within area of review

Well Name	Operator	Type	Spud	Total Depth Zone	Producing Zone	Perforations	Completion Information
Cercion Fed #3 420FNL & 1650FEL Sec 21 22S 32E	Strata Production Co	Oil	8/11/1992	8803 Delaware		7148-7150, 7244-7304, 8478-8494, 8570-8621	13 3/8" @ 916' Cmdt w/800 sx 5 1/2" @ 8,803' Cmdt w/ Stage 1: 935 sx Stage 2: 2430 sx DV tool @ 5495
Kiwi AKX St #4 330FSL & 1650FEL Sec 16 22S 32E	Yates Petroleum Co	Oil	6/9/1992	8760 Delaware		7003-7020, 7169-7172 7266-7306, 7462-7512 7702-7718, 7889-7919 8208-8216, 8388-8449 8498-8503, 8601-8638	13 3/8" @ 867' Cmdt w/750 sx 8 5/8" @ 4,540' Cmdt w/1600 sx 5 1/2" @ 8,760' Cmdt w/ Stage 1: 200sx Stage 2: 738 sx DV tool @ 7528'
Kiwi AKX St #5 1980FSL & 1650FEL Sec 16 22S 32E	Yates Petroleum Co	Oil	7/13/1992	9500 Delaware		7174-7214, 7279-7324 7479-7525, 8435-8500 8622-8649	13 3/8" @ 850' Cmdt w/750 sx 8 5/8" @ 4,569' Cmdt w/1500 sx 5 1/2" @ 9,500' Cmdt w/ Stage 1: 310sx Stage 2: 800 sx DV tool @ 7661'
Kiwi AKX St #6 660FSL & 2310FWL Sec 16 22S 32E	Yates Petroleum Co	Oil	7/24/1992	8890 Delaware		6660-6699, 6903-6906 7079-7088, 7291-7304 7364-7386, 7517-7521 7773-7873, 7916-7969 8127-8247, 8379-8438 8464-8500, 8574-8632	13 3/8" @ 852' Cmdt w/800 sx 8 5/8" @ 4,540' Cmdt w/1450 sx 5 1/2" @ 8,890' Cmdt w/ Stage 1: 235sx Stage 2: 745 sx DV tool @ 7594'
Kiwi AKX St #7 1980FNL & 1980FWL Sec 16 22S 32E	Yates Petroleum Co	Oil	10/29/1992 P&A 4/9/08	8900 Delaware		7136-7149, 7271-7280 7348-7358, 8478-8520 8651-8710	13 3/8" @ 850' Cmdt w/800 sx 8 5/8" @ 4,610' Cmdt w/1650 sx 5 1/2" @ 8,900' Cmdt w/ Stage 1: 220sx Stage 2: 800 sx DV tool @ 7729'

See attached P&A sketch

CIBP @ 6970' + 25 sx cmt

Spot 40 sxs @ 4853'. Top @ 4560'

Perf @ 2600', pump 35 sxs, tag @ 2403'

Perf @ 925', pump 35 sxs, tag @ 760'

Perf @ 60', circulate 20 sx to surface

Kiwi SWD #8
660FSL & 2310FWL
Sec 16 22S 32E

Yates Petroleum Co

Oil 2/8/1993
SWD 12/8/94
512

8840 Delaware

7028-7054, 7183-7185
8443-8470, 8539-8562
8653-8710

13 3/8" @ 850' Cmtid w/800 sx
8 5/8" @ 4,590' Cmtid w/1800 sx
5 1/2" @ 8,798' Cmtid w/
Stage 1: 525sx
Stage 2: 830 sx
DV tool @ 6386'

COG

WELL NAME: Kiwi AKX State #7

FIELD: East Livingston Ridge

LOCATION: 1980' FNL & 1,980' FEL of Section 16-22S-32E

Lea Co., NM

BL: 3769' ZERO: KB: 3,783'

SPUD DATE: COMPLETION DATE:

COMMENTS: API No.: 30-025-31762

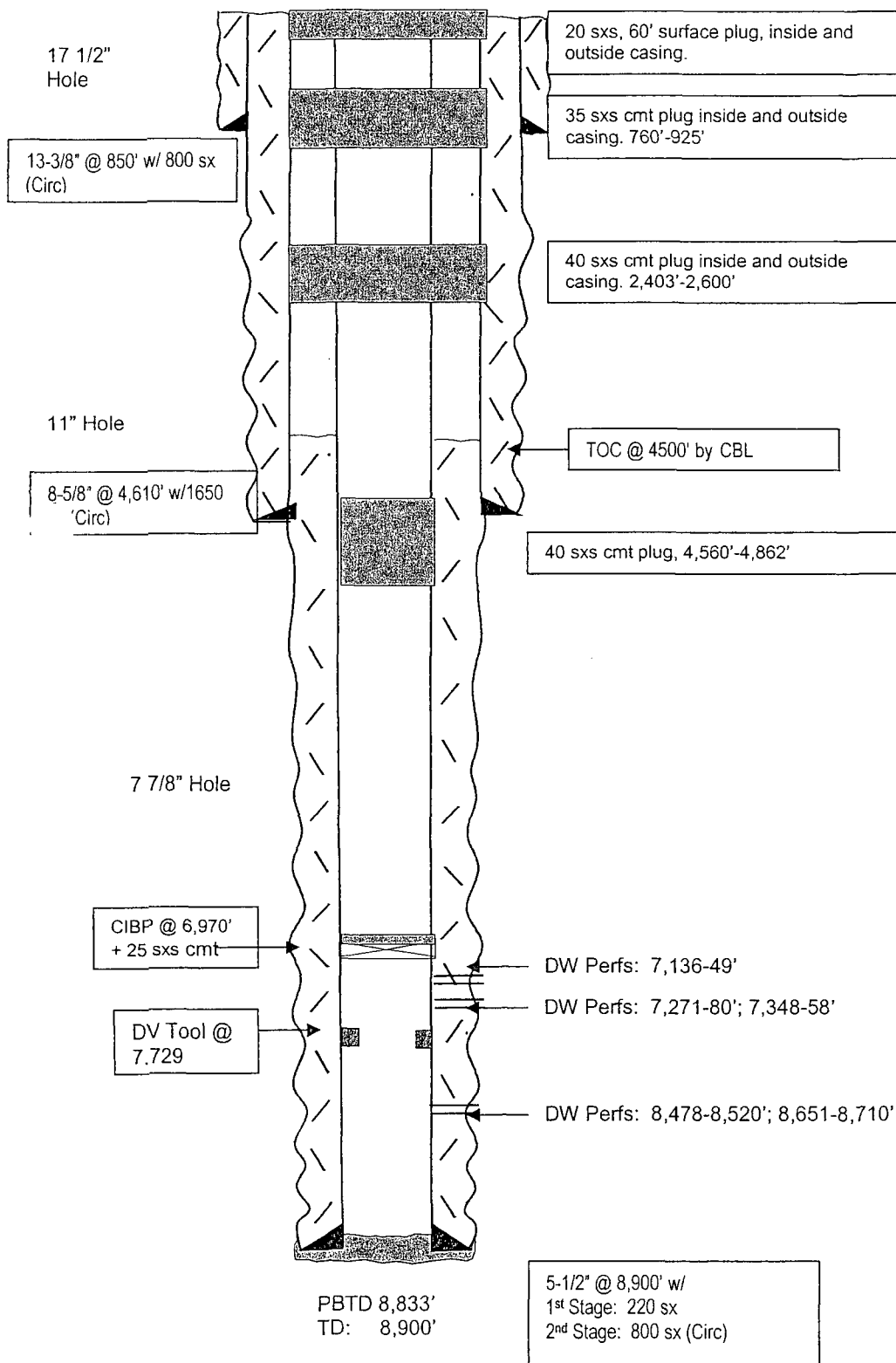
CASING PROGRAM

13-3/8" 54.5 J-55	850'
8-5/8" 32# HC80/J-55	4,610'
5-1/2" 15.5#/17# J55	8,900'

P&A

Fm top:

Rustler : 875'
Delaware : 4,812'
Cherry Canyon : 5,846'
Brushy Canyon : 7,507'
Bone Springs : 8,726'



Not to Scale
12/18/07
DC/Hotter

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-074C
(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 #:	354147
Lease/Platform:	LOTUS 'ALT' STATE UNIT	Analysis ID #:	94689
Entity (or well #):	4	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 354147 @ 75 °F							
Sampling Date:	9/15/09	Anions		mg/l	meq/l	Cations		mg/l	meq/l
Analysis Date:	9/23/09	Chloride:	142320.0		4014.33	Sodium:	69489.4		3022.62
Analyst:	LEAH DURAN	Bicarbonate:	36.6		0.6	Magnesium:	2815.0		231.57
		Carbonate:	0.0		0.	Calcium:	14251.0		711.13
TDS (mg/l or g/m3):	231647.5	Sulfate:	350.0		7.29	Strontium:	1225.0		27.96
Density (g/cm3, tonne/m3):	1.15	Phosphate:				Barium:	87.0		1.27
Anion/Cation Ratio:	1	Borate:				Iron:	15.0		0.54
		Silicate:				Potassium:	1053.0		26.93
						Aluminum:			
Carbon Dioxide:	280 PPM	Hydrogen Sulfide:			0 PPM	Chromium:			
Oxygen:		pH at time of sampling:			5.7	Copper:			
Comments:		pH at time of analysis:				Lead:			
		pH used in Calculation:			5.7	Manganese:	5.500		0.2
						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	-0.83	0.00	-0.43	0.00	-0.39	0.00	0.11	37.23	2.06	44.50	0.43
100	0	-0.74	0.00	-0.50	0.00	-0.40	0.00	0.08	29.67	1.86	44.22	0.51
120	0	-0.66	0.00	-0.57	0.00	-0.38	0.00	0.07	26.31	1.69	43.94	0.59
140	0	-0.57	0.00	-0.62	0.00	-0.35	0.00	0.08	26.59	1.54	43.39	0.67

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
Example of water to be disposed into
SWD well

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 #:	354157
Lease/Platform:	KIWI 'AKX' STATE LEASE	Analysis ID #:	94687
Entity (or well #):	3	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 354157 @ 75 °F					
Sampling Date:	9/15/09	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	9/23/09	Chloride:	177816.0	5015.54	Sodium:	81444.2	3542.62
Analyst:	LEAH DURAN	Bicarbonate:	73.2	1.2	Magnesium:	3828.0	314.91
TDS (mg/l or g/m3):	289080.9	Carbonate:	0.0	0.	Calcium:	22006.0	1098.1
Density (g/cm3, tonne/m3):	1.192	Sulfate:	774.0	16.11	Strontium:	1226.0	27.98
Anion/Cation Ratio:	1	Phosphate:			Barium:	2.5	0.04
		Borate:			Iron:	28.0	1.01
		Silicate:			Potassium:	1879.0	48.05
Carbon Dioxide:	430 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		5.5	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		5.5	Lead:		
					Manganese:	4.000	0.15
					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	-0.49	0.00	0.09	74.08	0.15	94.78	0.34	175.23	0.74	1.06	1.14
100	0	-0.41	0.00	0.00	2.12	0.13	84.16	0.31	165.14	0.54	0.80	1.33
120	0	-0.33	0.00	-0.07	0.00	0.14	87.62	0.30	161.43	0.37	0.80	1.51
140	0	-0.24	0.00	-0.13	0.00	0.17	103.02	0.31	163.02	0.22	0.53	1.66

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.

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Attachment D
Example of water to be disposed
into SWD well.

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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 #:	354152
Lease/Platform:	LOTUS 'ALT' STATE UNIT	Analysis ID #:	94688
Entity (or well #):	3	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 354152 @ 75 °F					
Sampling Date:	9/15/09	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	9/23/09	Chloride:	181989.0	5133.25	Sodium:	77172.6	3356.82
Analyst:	LEAH DURAN	Bicarbonate:	48.8	0.8	Magnesium:	4720.0	388.29
		Carbonate:	0.0	0.	Calcium:	26148.0	1304.79
TDS (mg/l or g/m3):	294549.4	Sulfate:	541.0	11.26	Strontium:	1946.0	44.42
Density (g/cm3, tonne/m3):	1.197	Phosphate:			Barium:	3.5	0.05
Anion/Cation Ratio:	1	Borate:			Iron:	24.0	0.87
		Silicate:			Potassium:	1952.0	49.92
Carbon Dioxide:	400 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:	4.500	0.16
					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	-0.93	0.00	-0.01	0.00	0.05	24.84	0.36	151.42	0.70	1.32	1.41
100	0	-0.84	0.00	-0.10	0.00	0.03	16.38	0.34	144.28	0.51	1.32	1.65
120	0	-0.76	0.00	-0.17	0.00	0.04	20.61	0.33	142.17	0.34	1.06	1.86
140	0	-0.67	0.00	-0.23	0.00	0.07	35.15	0.33	144.02	0.19	0.53	2.05

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.

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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 #:	354158
Lease/Platform:	KIWI 'AKX' STATE LEASE	Analysis ID #:	94686
Entity (or well #):	1	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 354158 @ 75 °F					
Sampling Date:	9/15/09	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	9/23/09	Chloride:	139881.0	3945.53	Sodium:	61614.9	2680.1
Analyst:	LEAH DURAN	Bicarbonate:	85.4	1.4	Magnesium:	3256.0	267.85
TDS (mg/l or g/m3):	227088.3	Carbonate:	0.0	0.	Calcium:	18604.0	928.34
Density (g/cm3, tonne/m3):	1.152	Sulfate:	404.0	8.41	Strontium:	1504.0	34.33
Anion/Cation Ratio:	1	Phosphate:			Barium:	3.0	0.04
		Borate:			Iron:	23.0	0.83
		Silicate:			Potassium:	1709.0	43.71
Carbon Dioxide:	480 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		5.1	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		5.1	Lead:		
					Manganese:	4.000	0.15
					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	-1.01	0.00	-0.29	0.00	-0.25	0.00	0.24	85.83	0.63	1.13	3.69
100	0	-0.92	0.00	-0.36	0.00	-0.26	0.00	0.22	80.20	0.44	0.84	4.43
120	0	-0.84	0.00	-0.42	0.00	-0.24	0.00	0.21	78.23	0.27	0.84	5.15
140	0	-0.75	0.00	-0.46	0.00	-0.19	0.00	0.22	79.64	0.13	0.28	5.8

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
Example of water to
be disposed into SWD well.

Attachment G

C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Kiwi SWD #10

Unit K, Section 16-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

12-8-09

Date

Affidavit of Publication

NO.

20948

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 Consecutive week/days on the same

day as follows:

First Publication December 11, 2009

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

11 Day

December

2009



OFFICIAL SEAL

Jo Morgan

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6/26/2012

Jo Morgan
Notary Public, Eddy County, New Mexico

Copy of Publication:

Kiwi SWD #10

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 Kiwi SWD #10 located 1980' FSL & 1980' FWL, Unit K, Section 16, 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 5850'-6450' with a maximum pressure of 1170 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, NM December 11, 2009.

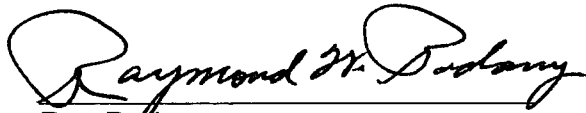
Legal No. 20948

Attachment G

C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Kiwi SWD #10

Unit K, Section 16-T22S-R32E
Lea County New Mexico.

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Ray Podany
Geologist
Yates Petroleum Corporation

12-8-09

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December 10, 2009

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CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

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

Re: Lotus SWD #12
Kiwi SWD #5
Kiwi SWD #10

Dear Sirs:

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

If you have any questions or need additional information, please call me at (575) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosures

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

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

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PRESIDENT
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ASSISTANT TO THE PRESIDENT
JAMES S. BROWN
CHIEF OPERATING OFFICER
JOHN D. PERINI
CHIEF FINANCIAL OFFICER

December 8, 2009

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Lotus SWD #12
Kiwi SWD #5
Kiwi SWD #10

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Debbie Chavez
Engineering Technician

Enclosures

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 Street, Apt. or PO Box: Houston, TX 77099-4310
 City, State, Zip: *Debbie C.*

Postmark: ARTESIA, N.M. DEC 10 2009

USPS 88210

PS Form 3800, August 2006 See Reverse for Instructions

PEROLEUM CORPORATION

27TH STREET
 3088210-2118
 748-1471

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 PRESIDENT

JOHN A. YATES JR.
 ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
 CHIEF OPERATING OFFICER

JOHN D. PERINI
 CHIEF FINANCIAL OFFICER

Chevron USA, Inc.
 11111 S. Wilcrest Drive
 Houston, TX 77099-4310

Re: Lotus SWD #12
 Kiwi SWD #5
 Kiwi SWD #10

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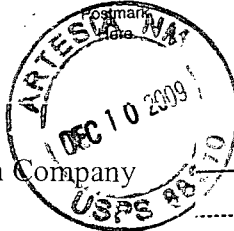
Debbie Chavez
 Engineering Technician

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FRANK W. YATES
1936-1986
S. P. YATES
1914-2008

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PRESIDENT
JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT
JAMES S. BROWN
CHIEF OPERATING OFFICER
JOHN D. PERINI
CHIEF FINANCIAL OFFICER

Decer...

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

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Kiwi SWD #5
Kiwi SWD #10

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Sincerely,

Debbie Chavez
Engineering Technician

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FRANK
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Houston, TX 77210-4610	
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JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

Exxon Mobil Production Company
P.O. Box 4610
Houston, TX 77210-4610

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Engineering Technician

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S.P. YATES
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or F	Roswell, NM 88202
City	

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Strata Production Company
P.O. Box 1030
Roswell, NM 88202

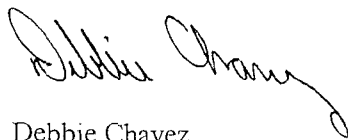
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Sincerely,



Debbie Chavez
Engineering Technician

Enclosure

Injection Permit Checklist (8/14/09)

Case _____ R- _____ SWD _____ WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____

Wells 1 Well Name: KIWI SWD #10 (w/ KIWI AKX St #10)

API Num: (30-) 025-36006 Spud Date: 11/62 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FSL/1980 FUL Unit K Sec 16 Tsp 22S Rge 32E County Lea

Operator: X.P.C. Contact Maryanne Hester

OGRID: _____ RULE 5.9 Compliance (Wells) _____ (Finan Assur) _____ OK

Operator Address: _____

Current Status of Well: non-commercial

Planned Work to Well:

Planned Tubing Size/Depth: 3 1/2" 2780' 8158'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2 13 1/8</u>	<u>855</u>	<u>750</u>	<u>CORC</u>
Existing <input type="checkbox"/> Intermediate	<u>11 8 5/8</u>	<u>4595</u>	<u>1450</u>	<u>CIRC</u>
Existing <input type="checkbox"/> Long String	<u>7 7/8 5 1/2</u>	<u>8322</u>	<u>575/600</u>	<u>Tec 5364 CBL</u>

DV Tool 4518 Liner _____ Open Hole _____ Total Depth 8885

Well File Reviewed _____

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: _____

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>7440</u>	<u>Brushy Top</u>	
Injection..... Interval TOP:	<u>8255 5850</u>	<u>Brushy</u>	<u>Yes</u>
Injection..... Interval BOTTOM:	<u>8675 450</u>	<u>#</u>	
Below (Name and Top)	<u>8706</u>	<u>B.S.</u>	

2 miles East of
POTASH area

1170
1652 PSI Max. WHIP
Open Hole (Y/N) _____
Deviated Hole? _____

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths 965-4450

.... Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: _____ Wells _____ Analysis? _____ Affirmative Statement ☒

Disposal Fluid Sources: Del Analysis? _____

Disposal Interval Production Potential/Testing/Analysis Analysis: Depleted / water out

Notice: Newspaper (Y/N) ☒ Surface Owner SIO Mineral Owner(s) _____

RULE 26.7(A) Affected Parties: SIO, Chem, OXY, BP

Area of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒

Active Wells 5 Num Repairs 0 Producing in Injection Interval in AOR yes

.P&A Wells 1 Num Repairs 0 All Wellbore Diagrams Included? ☒

Questions to be Answered:

why water out? after SIO & SIO approved

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____