

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

October 13, 1994

New Mexico Energy Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504

Attn: Mr. David Catanach

Dear Mr. Catanach,

Enclosed please find our application for authorization to inject for the Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

Sincerely,

Brian Collins
Engineer

BC/th

Enclosures

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 South Fourth Street, Artesia, NM 88210
Contact party: Brian Collins 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 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: Brian Collins Title Engineer

Signature: *Brian Collins* Date: October 14, 1994

- * 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.

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: Yates Petroleum Well: Diane No. 1

Contact: Brian Collins Title: Engineer Phone: 718-1471

DATE IN 10-17-94 RELEASE DATE 10-31-94 DATE OUT 11-28-94

Proposed Injection Application is for: WATERFLOOD Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS SALT WATER DISPOSAL

WIPP Capitan Reef Commercial Operation

Data is complete for proposed well(s)? Additional Data _____

AREA of REVIEW WELLS

0 Total # of AOR 0 # of Plugged Wells
 Tabulation Complete Schematics of P & A's
 Cement Tops Adequate AOR Repair Required

INJECTION INFORMATION

Injection Formation(s) Devonian

Source of Water Penn, Yero, Glorita Compatible

PROOF OF NOTICE

Copy of Legal Notice Information Printed Correctly
 Correct Operators Copies of Certified Mail Receipts
 Objection Received Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL

COMMUNICATION WITH CONTACT PERSON:

1st Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____
2nd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____
3rd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

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TREASURER

October 13, 1994

Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220

Attn: Mr. Shannon Shaw

Dear Mr. Shaw,

Enclosed please find our application for authorization to inject submitted to the NMOCD for the Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

Sincerely,

A handwritten signature in cursive script that reads 'Brian Collins'.

Brian Collins
Engineer

BC/th

Enclosures

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October 13, 1994

New Mexico Energy Minerals Department
Oil Conservation Division
Drawer DD
Artesia, NM 88210

Attn: Mr. Tim Gum

Dear Mr. Gum,

Enclosed please find our application for authorization to inject for the Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

Sincerely,



Brian Collins
Engineer

BC/th

Enclosures

C-108
Application For Authorization To Inject
Yates Petroleum Corporation
Diane SWD #1
D 23-T22S-R23E
Eddy County, New Mexico

- I. The purpose of completing this well is to make a disposal well for produced Upper Penn, Glorieta and Yeso water into the Devonian formation.

Yates Petroleum plans to re-enter, deepen and convert this well to a water disposal well into the Devonian.

- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Brian Collins (505) 748-4182
- III. Well Data: See Attachment A
- IV. This is not an expansion of an existing project.
- V. See attached map, Attachment B
- VI. No wells within the area of review penetrate the proposed injection zone.
- VII. 1. Proposed average daily injection volume approximately 15,000 BWPD.
Maximum daily injection volume approximately 30,000 BWPD.
2. This will be a closed system.
3. Proposed average injection pressure--unknown.
Proposed maximum injection pressure--0.2 psi x depth to top injection perforation
Best estimate is 10250' x 0.2 psi/ft. = 2050 psi.
4. Sources of injected water would be produced water from the Upper Penn, Glorieta and Yeso. (Attachment C)
5. See Attachment C.
- VIII. 1. The proposed injection interval is the portion of the Devonian formation consisting of porous dolomite from estimated depths: 10250'-10800' Best estimate
2. Possible Fresh water zones overlie the proposed injection formations at depths to approximately 1000' feet. There are no fresh water zones underlying the formation.
- IX. The proposed disposal interval may be acidized with 20% HCL acid and/or proppant frac'd.
- X. Logs were filed at your office when the well was drilled. Additional logs will be filed after the Devonian is logged.
- XI. 1 windmill exists within a one mile radius of the subject location. (See Attachment C for Water Analysis)

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

-2-

- XII. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval.
- XIII. Proof of Notice
 - A. Certified letters sent to the surface owner and offset operators attached. (Attachment D)
 - B. Copy of legal advertisement attached. (Attachment E)
- XIV. Certification is signed.

Yates Petroleum Corporation
Diane SWD #1
D- 23-T22S-R23E

Attachment A

Page 1

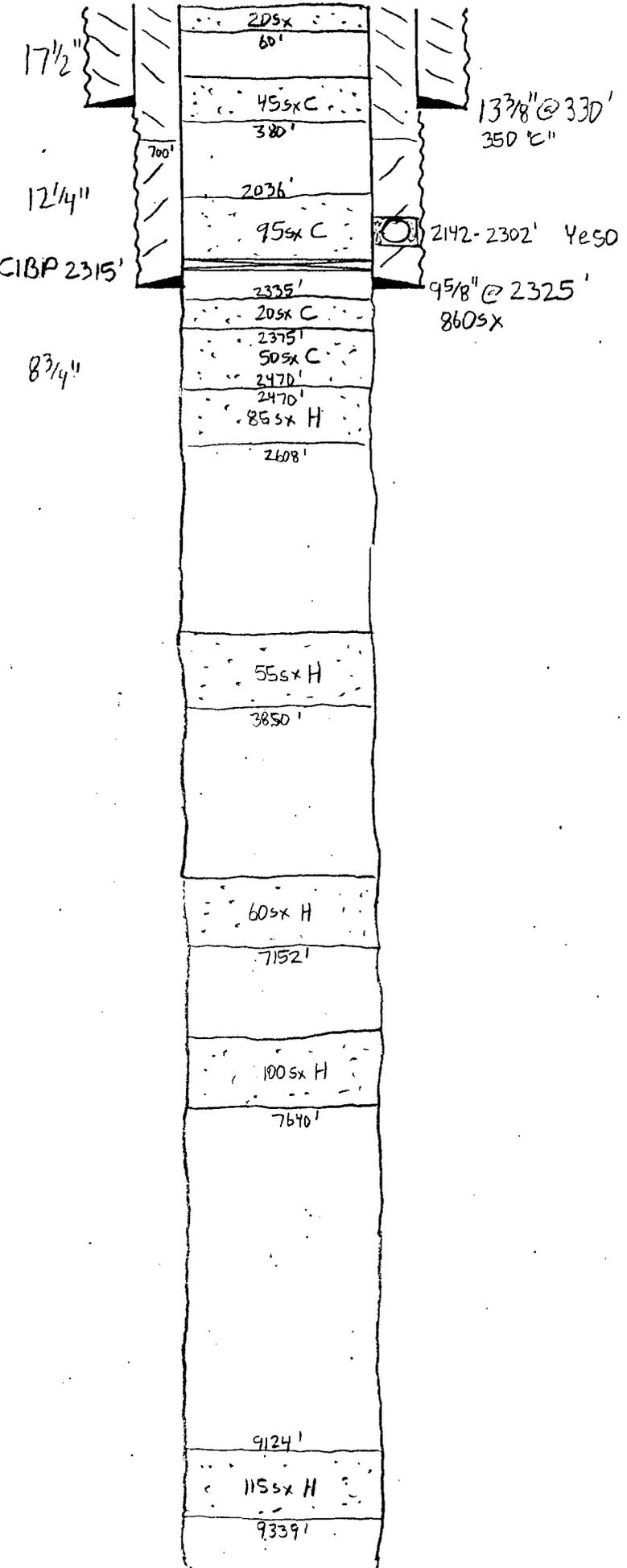
III. Well Data

- A.
1. Lease Name/Location:
Diane SWD #1
D-23-T22S-R23E
660' FNL & 860' FWL
 2. Casing Strings:
 - a. Present Well Condition
9 5/8", 36#, J55 (@) 2325' w/860 sx (circ)
13 3/8", 54.5#, J55 (@) 330' w/350 sx (circ)
20 sk plug 0-60'
45 sk plug (@) 380'
95 sk plug (@) 2315'
CIBP (@) 2315'
155 sk plug (@) 2608'
55 sk plug (@) 3850'
60 sk plug (@) 7152'
100 sk plug (@) 7640'
115 sk plug (@) 9339'
TD (@) 9710'
Yeso perms 2142'-2302'
Present Status:
Plugged and abandoned.
 3. Proposed well condition:
Deepen to 11000'.
7" casing (@) 11000'.
3 1/2" 8.7 J55 or 2 7/8" 6.5 J55 plastic-coated injection tubing @ 10150'.
 4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer.
- B.
1. Injection Formation: Devonian
 2. Injection Interval will be through perforations from approximately 10250'-10800'.
 3. Well was originally drilled as an unsuccessful Morrow test and was tested non-commercial in the Yeso. Well will be Devonian water disposal well (10250'-10800') when work is completed.
 4. Perforations: 10250'-10800' Best estimate
 5. Next higher (shallower) oil or gas zone within 2 miles--Morrow.
Next lower (deeper) oil or gas zone within 2 miles--None.

WELL NAME: Diane ALW Red. 1 FIELD AREA: Indian Basin
 LOCATION: 660' FNL, 860' FWL D-23-223-23e Eddy NM
 GL: 4106' ZERO: 18' AGL: _____
 KB: 4124' ORIG. DRLG./COMPL. DATE: _____
 COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
13 3/8 54.5 J55 STC	330'
9 5/8 36 J55 STC	2325'



ATTACHMENT A
CURRENT STATUS

WELL NAME: Diane SWD # 1 FIELD AREA: Indian Basin

LOCATION: 660'FWL, 860'FWL D-23-22s-23e Eddy NM

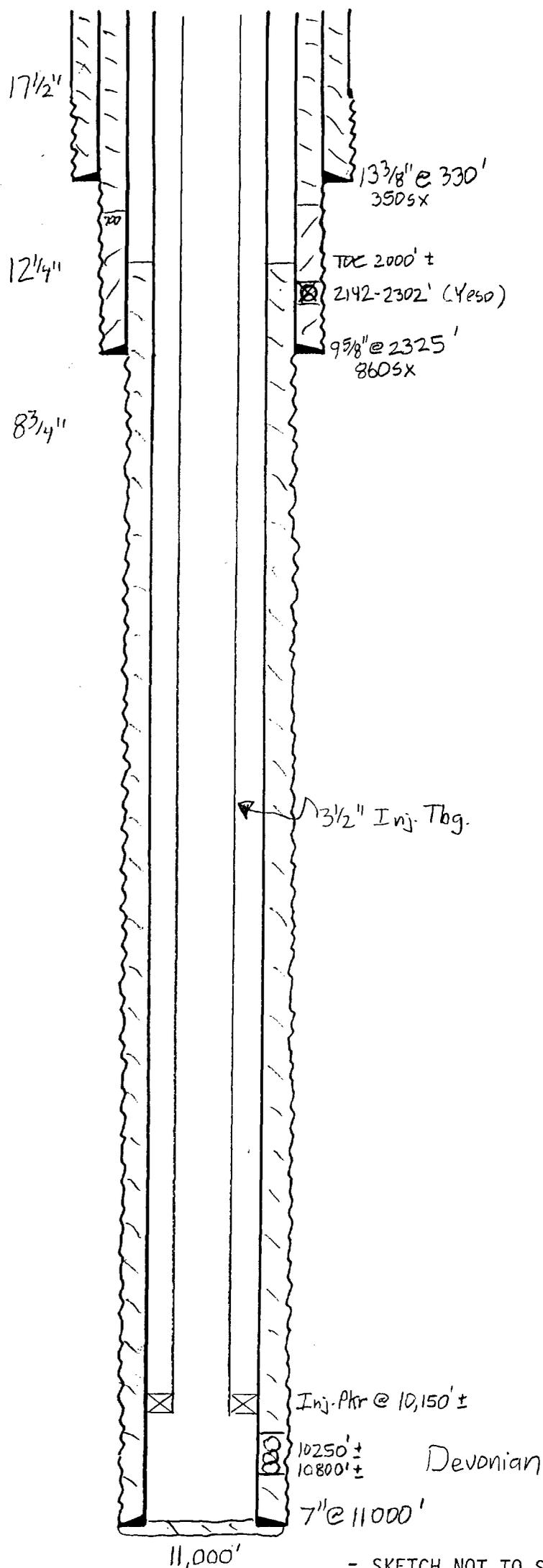
GL: 4106' ZERO: 18' AGL: '

KB: 4124' ORIG. DRLG./COMPL. DATE:

COMMENTS:

CASING PROGRAM:

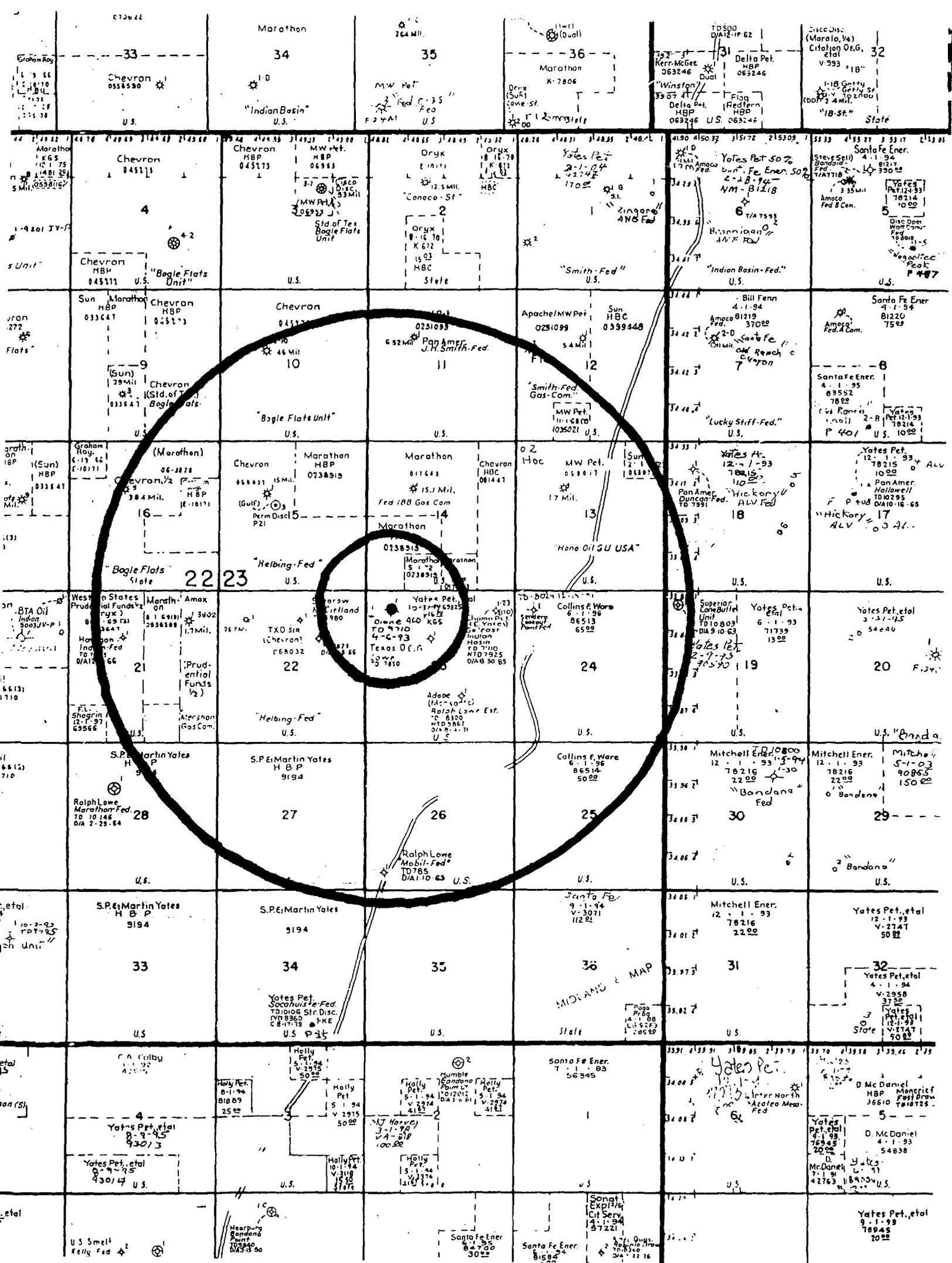
SIZE/WT./GR./CONN.	DEPTH SET
13 3/8 54.5 J55 STC	330'
9 5/8 36 J55 STC	2325'
7" 26 N80 LTC	3200'
26 J55 LTC	6900'
26 N80 LTC	9400'
26 S95 LTC	11,000'
3/2 9.3 J55 EUE Plastic Cased	10,150'±



ATTACHMENT A
PROPOSED WELLBORE

- SKETCH NOT TO SCALE -

REVISED:



YATES PETROLEUM CORPORATION

DIANE SWD #1

PROPOSED SALT WATER DISPOSAL WELL

SEC. 23-T22S-R23E

660'FNL & 860'FWL

EDDY COUNTY, NEW MEXICO

CDR - RE-ENTRY

Page 6:

Yates Petroleum - Brannigan "ANF" Federal #1 (Unit D) 6-22S-24E

*****Eddy Co., NM*****

perfs 7743-7896'. Nippled down BOP and installed tree.
Rigged up swab and swabbed with the following results:

TIME	FL	# SR	OIL	WATER	GAS
6 Pm	4500-4000'	3	0	25	fair*
8 PM	3000-2600'	3	0	25	fair*
10 PM	1000-flwg	1	0	15	strong*
11 PM	200# - 1/2"	flwg	0	25	strong
1 AM	375# - 1/2"	flwg	1%	31	strong
3 AM	400# - 1/2"	flwg	1%	27	strong
5 AM	450# - 1/2"	flwg	2%	26	strong
6 AM	450# - 1/2"	flwg	2%	28	strong

*blow all the time.

Total recovered 344 bbls water, 2 bbls oil. Shut in
waiting on pipeline connection. DC \$3709

WATER ANALYSIS:		9 PM 9-21	1 AM 9-22
Sp. Gravity	1.015 @ 76	1.015 @ 76	
Resistivity	.205 @ 75	.185 @ 75	
pH	6.55	6.65	
Iron	0	0	
Sulfate	1256	2069	
Calcium	2956	2995	
Tot Hardness	9064	9064	
Magnesium	407	383	
Bicarbonate	553	577	
Chloride	11,820	13,790	
CALC	19,444	22,685	
Sod & Pot	4314	5990	
Tot Diss Sol	27,007	31,490	
KCL	none	none	
H2S	none	strong	

9-23-93

Continued to flow well on 1/2" choke with the following
results:

TIME	PSI	OIL	WATER	GAS
7:00 AM	450	2%	30	strong
8:00 AM	450	2%	25	strong
9:00 AM	450	2%	28	strong

Total recovered 426 bbls water and 3 bbls oil. Shut well
in. Cleaned location. Rigged down pulling unit. DC \$3147

9-24-93

Shut in.

9-25-27-93

Shut in.

9-28-93

Shut in.

9-29-93

Shut in.

9-30-93

Shut in.

10-1-93

No report.

10-2-4-93

No report.

10-5-93

Waiting on pipeline connection.



Yeso Produced Water

Halliburton Energy Services
Artesia District
Laboratory Report

No. W156-94

TO: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Date: April 21, 1994

This report is the property of Halliburton Energy 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 persons or officers and employees thereof receiving such report from Halliburton Energy Services.

Submitted by _____ Date Rec April 20, 1994
Well No Sacahuiste #1 Depth _____ Formation _____
Field _____ County _____ Source _____

Resistivity.....	<u>0.40 @ 70°</u>	_____	_____
Specific Gravity.	<u>1.012 @ 70°</u>	_____	_____
pH.....	<u>8.0</u>	_____	_____
Calcium.....	<u>1,885</u>	_____	_____
Magnesium.....	<u>508</u>	_____	_____
Chlorides.....	<u>10,000</u>	_____	_____
Sulfates.....	<u>400</u>	_____	_____
Bicarbonates.....	<u>152</u>	_____	_____
Soluble Iron.....	<u>0</u>	_____	_____
KCL	<u>0</u>	_____	_____

Remarks:

Eric Jacobson
Respectfully submitted

Analyst: Eric Jacobson - Operations Engineer

NOTICE This report is for information only and the content is limited to the sample described. Halliburton makes no warranties, express or implied whether of fitness for a particular purpose, merchantability, or otherwise 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 D

MARTIN YATES, III
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TELEPHONE (505) 748-1471

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TREASURER

October 13, 1994

Chevron USA, Inc.
1301 McKinney
Houston, TX 77010

Ladies and Gentlemen,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

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

Sincerely,

A handwritten signature in cursive script, appearing to read 'Brian Collins'.

Brian Collins
Engineer

BC/th

Enclosures

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October 13, 1994

Marathon Oil Company
P. O. Box 552
Midland, TX 79702

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October 13, 1994

Santa Fe Energy
500 W. Illinois
Midland, TX 79702

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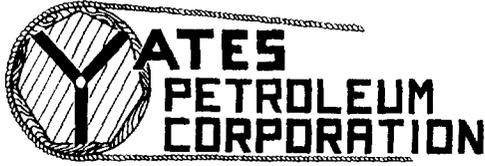
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October 13, 1994

TXO Production Corp.
900 Wilco Bldg.
Midland, TX 79701

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Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

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MW Petroleum Corp.
P. O. Box 841689
Dallas, TX 75284-1689

Ladies and Gentlemen,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

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October 13, 1994

Hugh M. Kincaid
2911 Ocotillo Canyon Dr.
Carlsbad, NM 88220

Dear Mr. Kincaid,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Diane SWD #1 located in Unit D of Section 23-T22S-R23E of Eddy County.

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

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October 13, 1994

Artesia Daily Press
503 W. Main
Artesia, NM 88210

Ladies and Gentlemen,

Yates Petroleum Corporation desires to place a public notice in your newspaper for one day. The notice is enclosed.

Please place this notice in your paper on Sunday, October 16, 1994 and forward a copy of it along with your billing as soon as possible to:

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
Attn: Brian Collins

If you have any questions, please contact me at 748-4182. Thank you for your cooperation in this matter.

Sincerely,

Brian Collins
Engineer

BC/th

Enclosure

Attachment E

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 "Diane SWD #1" located 660'FNL & 860'FWL of Section 23, Township 22 South, Range 23 East of Eddy County, New Mexico, will be used for saltwater disposal. Disposal waters from the Upper Penn, Glorieta and Yeso will be injected into the Devonian at a depth of 10250'-10800' with a maximum pressure of 2050 psi and a maximum rate of 30,000 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 Brian Collins at (505) 748-4182.