

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

February 22, 2001

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
811 South First Street
Artesia, NM 88210

Dear Mr. Gum,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Hillview SWD #2 located in Unit G of Section 23-T20S-R24E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4219.

Sincerely,


James M. Hill
Operations Engineer

JMH/th

Enclosure

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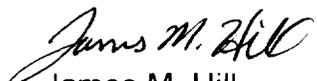
Richard Manus
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

Dear Mr. Manus,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) for the proposed Hillview SWD #2 located in Unit G of Section 23-T20S-R24E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4219.

Sincerely,


James M. Hill
Operations Engineer

JMH/th

Enclosure

**C-108 Application for Authorization to Inject
Yates Petroleum Corporation
Hillview SWD #2
G 23-20S-24E
Eddy County, New Mexico**

- I. The purpose of completing this well is to make a disposal well for produced Canyon water into the Mississippian, Devonian, Silurian and Montoya.
- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
James M. Hill (505) 748-4219
- 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 20,000 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--1940 psi.
 4. Sources of injected water would be produced water from the Canyon. (Attachment C)
 5. See Attachment C.
- VIII. The proposed injection interval is open hole from 9700' to TD.
- IX. The proposed disposal interval may be acidized with 15-20% HCL acid.
- X. Logs were filed at your office when the well was drilled. New logs will be submitted when the well is deepened.
- XI. 1 windmill exists within a one mile radius of the subject location. (Attachment D)

Application for Authorization to Inject
Hillview SWD #2
-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 owners and offset operators attached. (Attachment E)

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

XIV. Certification is signed.