

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

May 2, 2000

Brad Cross
Santa Fe Energy
550 W. Texas
Suite 1330
Midland, TX 79701

Gentlemen:

Enclosed please find a copy of form C-108 (Application for Authorization to Inject) on the Exxon New Mexico DH State #1 located in Unit M of Section 16-T15S-R28E of Chaves County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4174.

Sincerely,

Albert R. Stall
Operations Engineer

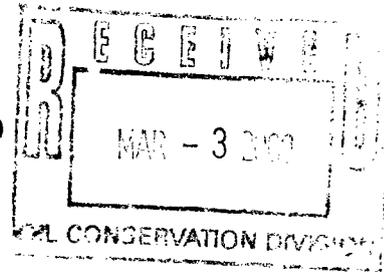
ARS/th

Enclosures

xc: NMOCD, Santa Fe

MAY 3
CONSERVATION

Howard Birchfield
P.O. Box 250
Hagerman, NM 88232-0250
(505) 752-0361



February 28, 2000

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico
87505

Gentlemen:

60' ~~000~~
This letter is to inform you that I, Howard Birchfield, officially file my objection in regards to YATES Petroleum Corporation's Application to inject on Exxon, New Mexico DH State #1 in Unit M of section 16-T15S-R28E of Chaves County, New Mexico. As an interested party (My property lies within one mile of the site with a windmill), I strongly believe that this application would gravely place my well water in jeopardy and subsequently put my livestock at extreme risk that could be fatal. The proximity of this site is within one mile of the best drinking water on my ranch. The welfare of my ranch depends on this water and pump site which in turn is piped to all my pastures including my headquarters. With my concern, I request that Yates Petroleum Corporation post a bond in order to secure my livelihood & protect my livestock.

Please contact me if you have any additional, detailed questions which I will be obliged to provide.

Sincerely,

Howard Birchfield
Birchfield Ranch

SWD-775

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May 16, 2000

RECEIVED
MAY 16 2000
OIL CONSERVATION DIVISION

Mark Ashley
State of New Mexico
OIL CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505-5472

Re: Exxon New Mexico DH State #1
M 16-15S-28E
Chaves County, New Mexico
C-108 Application

Dear Mr. Ashley,

In response to your telephone request on May 10, 2000, Mr. Cy Cowan of Yates Petroleum Corporation's Land Department contacted Mr. Birchfield regarding questions and concerns he had about re-entry of the referenced well for salt water disposal into the Mississippian/Devonian interval from 9392 feet to 9600 feet. Mr. Cowan will prepare a letter to Mr. Birchfield addressing what Yates Petroleum Corporation is prepared to do regarding his concerns. Mr. Birchfield was satisfied and told Mr. Cowan to have you phone him if you still have reservations about approving the application due to his concerns.

Sincerely,

Albert R. Stall
Operations Engineer

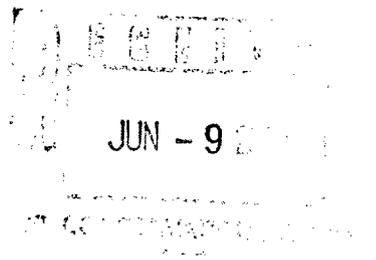
ARS/sd

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June 7, 2000

Mark Ashley
State of New Mexico
OIL CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505-5472

Dear Mr. Ashley,

Enclosed please find the "Affidavit of Publication" for the proposed Exxon New Mexico DH State #1 C-108 (Application for Authority to Inject) located in Unit M of Section 16-T15S-R28E, Chaves County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Albert R. Stall'.

Albert R. Stall
Operations Engineer

Enclosure

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 issue dated
May 3rd 2000

and ending with the issue dated
May 3rd 2000

Fran Saunders
Clerk

Sworn and subscribed to before me

This 8th day of
May 2000

Marylon S. Shipper
Notary Public

My Commission expires
July 25, 2002

(SEAL)

Publish May 3, 2000

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 "Exxon New Mexico DH State #1" located 660'FSL & 660'FWL of Section 16, Township 15 South, Range 28 East of Chaves County, New Mexico, will be used for salt water disposal. Disposal waters from the Morrow will be re-injected into the Mississippi/Devonian at a depth of 9362-10,600 with a maximum pressure of 5000 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, 2040 S. Pacheco Street, Santa Fe, NM 87505-5472, within 15 days. Additional information can be obtained by contacting Albert R. Stall at (505)748-4174.

25755418

AMEND SWD

9/25/00

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RECEIVED
SEP - 8 2000
CONSERVATION DIVISION

September 5, 2000

Mr. Mark Ashley
State of New Mexico
OIL CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505-5472

Gentlemen:

Administrative Order SWD 775 dated May 16, 2000, approves produced water disposal into the Mississippian/Devonian formations in an openhole interval approximately 9392'-10,600' in the Exxon New Mexico DH State Well No. 1 (API No. 30-005-61963) located 660' FSL and 660' FWL of Section 16, T. 15 S., R. 28 E., N.M.P.M., Chaves County, New Mexico.

Re-entry work on the well was recently started. However, subsequent to the C-108 approval the well name was changed and Yates Petroleum Corporation permitted it as the Windmill ATI State #3 (SWD). We now request that this name change be made in the C-108 file so that all records will be consistent.

Thank you for your assistance. If you have any questions, please call me at (505) 748-4174.

Sincerely,

A handwritten signature in cursive script that reads 'Albert R. Stall'.

Albert R. Stall

XC: NMOCD, Artesia