

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: HILLSIDE OIL & GAS, LLC

ADDRESS: PO BOX 8911, MIDLAND TX 79708

CONTACT PARTY: PERRY L. HUGHES PHONE: 505-885-5433

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:

JAN - 7 2002

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: Perry L. Hughes TITLE: AGENT

SIGNATURE: Perry L. Hughes DATE: 12/14/01

* 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: _____

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 the 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, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, 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.

ATTACHMENT TO OCD FORM C-108

HILLSIDE OIL & GAS, LLC
FOX #1

(30-015-24426)

- I. Purpose – Application is made for authorization to dispose of produced water into formation from where it came, i.e. Gorieta/Yeso.
- II. Operator - Hillside Oil & Gas, LLC
- III. Injection Well Data – The required well data and schematic diagram of the Fox #1 well is enclosed as Exhibit “B” - Page 1. Page 2 of Exhibit “B” is the proposed procedure for conversion of the Fox #1 for produced water disposal.
- IV. This is not an expansion of an existing project.
- V. Maps – The attached Exhibit “A” identify the proposed disposal well, the Area of Review within one-half mile of a proposed disposal well, and all wells and leases within two miles of the proposed disposal well.
- VI. Well Data – The well data for the wells within the Area of Review is attached as Exhibit “C” and the well data and schematic diagrams for all plugged and abandoned well bores within the Area of Review are attached as Exhibit “D”. No schematic of E.P. Campbell #1 is attached, as it was converted to fresh water well in 1962. All available information relating to original plug and abandon is presented on Exhibit “C”.
- VII. Proposed Operations:
 1. Proposed average daily injection rate – 800 BWPD
Proposed maximum daily injection rate – 1000 BWPD
 2. A closed system will be maintained.
 3. An average injection pressure of approximately 1500 psi is anticipated. The maximum injection pressure will be subject to the injection pressure authorized by the Oil Conservation Division.
 4. The proposed injection fluid will consist of water produced by wells in the Glorieta Yeso.
 5. N/A.
- VIII. Geological Data – The proposed injection interval is in the Glorieta Yeso formation at a depth of approximately 2870 to 3725 feet. The Glorieta Yeso is primarily dolomite.
- IX. Stimulation – Small acid treatments of about 2000 gallons 15% NEFE.

- X. Logging Data – The available logs are those on file with the Oil Conservation Division from the original operator of the well. See Exhibit “F” attached.

- XI. Fresh Water Wells –Fresh water wells exist within one mile of proposed disposal well in Unit “F” of Section 35, T18S, R26E. The Artesia fresh water area exists to approximately 850 feet. Analysis of samples from two or more fresh water wells are being obtained and will be provided as soon as available.

- XII. Affirmative Statement – An affirmative statement of examination is attached Exhibit “E”.

- XIII. Proof of Notice – Copies of this C-108 Application have been mailed to the surface owner and each leasehold operator within one-half mile of the proposed disposal well. An Affidavit of such notice is attached Exhibit “G”. Copies of the return receipts will be furnished upon request.

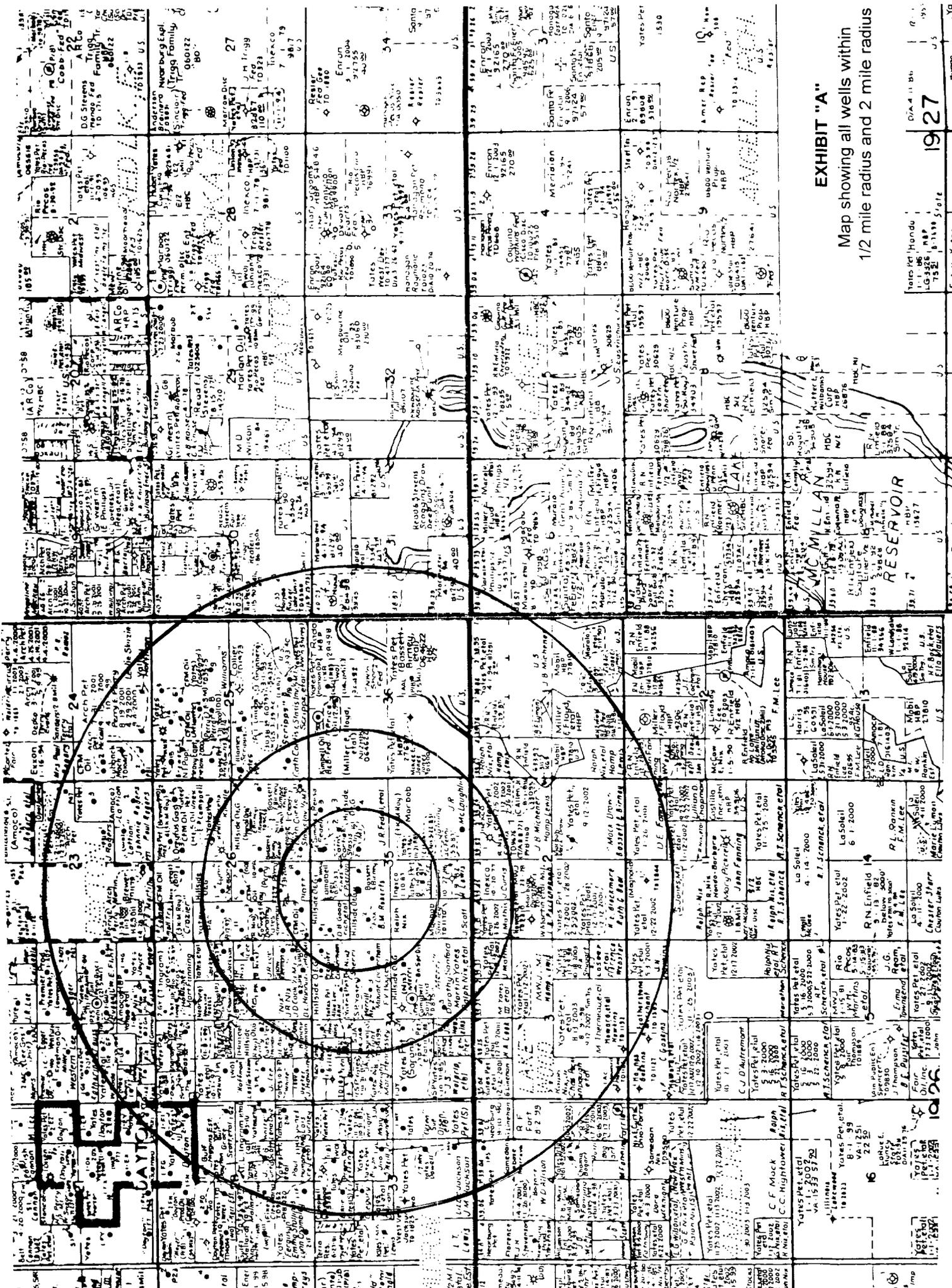


EXHIBIT "A"

Map showing all wells within
1/2 mile radius and 2 mile radius

1927

Estelle Yates
O'Neil
L.G. 326, H.P.
752

1927
Estelle Yates
O'Neil
L.G. 326, H.P.
752

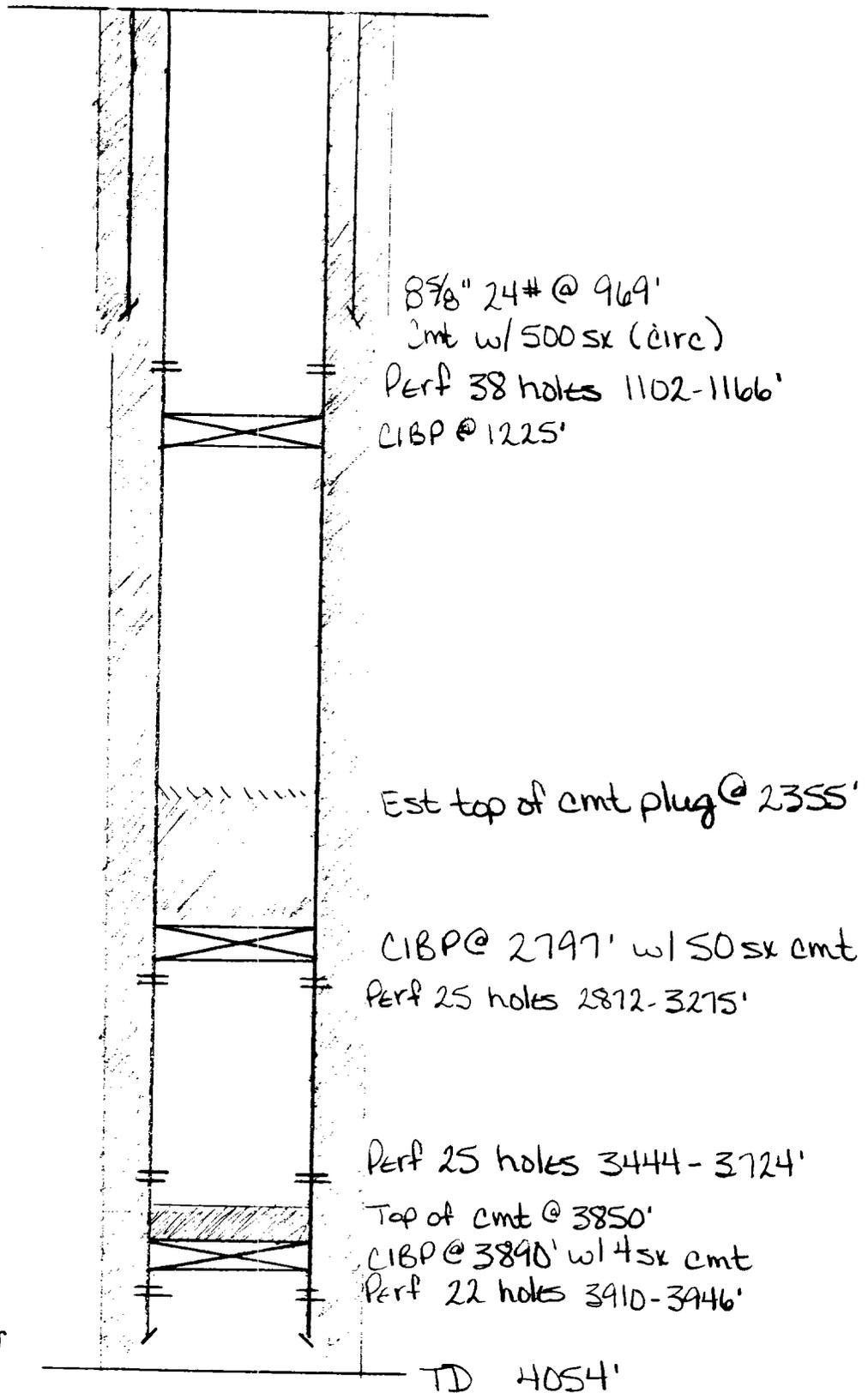
1927
Estelle Yates
O'Neil
L.G. 326, H.P.
752

1927
Estelle Yates
O'Neil
L.G. 326, H.P.
752

1927
Estelle Yates
O'Neil
L.G. 326, H.P.
752

1927
Estelle Yates
O'Neil
L.G. 326, H.P.
752

Fox #1
 1650' FNL & 1650' FWL, Unit F
 Section 35, T18S, R26E
 Eddy County, NM
 Present Diagram



5 1/2" 15.5# J-55 csg.
 set @ 4023' w/ 700 sx
 (circ)

Drilled 03/83

Exhibit B
 Doc 1

Exhibit "B"
Page 2

Proposed Procedure for Conversion to Salt Water Disposal Well
Fox #1
1650' FNL & 1650' FWL
Unit F, Section 35, T18S, R26E
Eddy County, New Mexico

1. Rig up workover rig. (L & R Well Service)
2. Squeeze Grayburg perms 1102 – 1166'. (Halliburton Energy Services)
3. Wait on cement.
4. Rig up reverse unit. (Davis Tool Company)
5. Drill out cement. Test casing.
6. Drill out CIBP @ 1225'. Test casing
7. Drill out cement plug @ 2355' & CIBP @ 2797'. Test casing.
8. Determine injectivity of Glorieta Yeso perms 2872 – 3275 & 3444 – 3724' for disposal injection. Acidize perms, possibly two acid jobs to increase injectivity
9. Run 2 3/8" plastic coated tubing and plastic coated tension set injection packer to be set between 2775' and 2825' (George Young Supply – Pecos Valley Tools).
10. Conduct casing integrity test (OCD witnessed).

Exhibit "C" - Data on Wells in Area of Review
 Attachment to Form C-108 Application for Authorization to Inject
 Hillside Oil & Gas, LLC

Fox #1, Unit F, Section 35, T18S, R26E, Eddy County, New Mexico

Well Name	Well Bore	Utilz	Start Date	Well Type	Date Drilled	ID	FBTD	Casing	Completion	Production	Producing Zone
Platt #1	100' FSL & 100' FWL	M	26-18-26	Oil	09/03/40	1145'		8" @ 250' 6" @ 890' 5 1/2" @ 927'	50 sx 100 sx	927 - 1145' Open Hole	Dayton Grayburg
Platt #4	660' FSL & 465' FWL	M	26-18-26	Oil	11/13/58	6405'		8 5/8" 28# @ 1115' 5 1/2" 14# @ 6405' CIBP @ 5400'	900 sx 800 sx 35 sx on top	1000 gal acid; 10000 gal acid 5500 gal Fe acid 3000 gal 15% acid; 59800 gal KCl & 90000# sand 2000 gal 15% acid; 25000 gal KCl & 55000# sand 3040 - 3089 3333 - 3529 2000 gal 15% HCl; 60000 gal KCl; 2000 gal 15% HCl & 100000# sand 3577 - 3639 1000 gal 15% acid 3707 - 3753 2500 gal 15% HCl	Atoka Yeso
Platt PA #7	990' FSL & 1605' FWL	N	26-18-26	Oil	12/30/81	3600'	3597'	7" 17# @ 915' 4 1/2" 9.5# @ 3600'	510 sx (circ) 375 sx (circ)	60000 gal KCl & 130000# sand; 2000 gal 15% NClNE	Atoka Yeso
Platt PA #8	430' FSL & 2260' FWL	N	26-18-26	Oil	12/12/83	3800'	3794'	8 5/8" 24# @ 978' 5 1/2" 9.5# @ 3800'	800 sx 575 sx	2000 gal 15% acid; 2000 g 15% acid; 40000 gal KCl & 80000# 20/40 sand 2827 - 3124 2001 gal 15% acid; 2000 g 15% acid; 60000 gal KCl & 120000# 20/40 sand	Atoka Glorieta Yeso
Platt PA #9	330' FSL & 990' FWL	M	26-18-26	Oil	04/16/84	3550'	3481'	8 5/8" 24# @ 980' 5 1/2" 14# @ 3549'	600 sx (circ) 490 sx	1000 gal 15% acid; 40000 gal KCl & 70000# sand 2819 - 3120 40000 gal KCl & 70000# sand	Atoka Glorieta Yeso
Melaine Battery #2	990' FSL & 1650' FEL	O	26-18-26	Oil	12/01/82	3850'		13 3/8" 48# @ 355' 8 5/8" 24# @ 1235' 4 1/2" 10.5# @ 3718'	340 sx (circ) 990 sx (circ) 1000 sx (circ)	6000 gals NEFE; 190000 gal acid; 402000# sand	Atoka Yeso
Cockerham #1	330' FNL & 330' FEL	A	34-18-26	Oil	09/20/57	5637'	5626'	7" @ 910' 8" @ 893 4 1/2" @ 4200'	32 sx 265 sx (circ) 850 sx (circ)	Open hole 1500 gal MCA mud acid & 15000 gal 15% acid 4200 - 5626'	Abo
Merrill Battery #2	1980' FNL & 660' FEL	H	34-18-26	Oil	07/01/83	4055'	4041'	8 5/8" 24# @ 965' 5 1/2" 15.5# @ 4041'	500 sx (circ) 700 sx (circ)	2797 - 3131' 100000 gal KCl & 160500# sand	Atoka Glorieta Yeso
Fedell #1	340' FNL & 2310' FEL	B	35-18-26	Oil	01/01/84	3823'	3806'	8 5/8" 24# @ 940' 5 1/2" 15.5# @ 3821'	500 sx (circ) 700 sx (circ)	2850 - 3556' 190000 gal KCl & 290500# sand	Atoka Glorieta - Yeso
Fedell #1	330' FNL & 2310' FEL	B	35-18-26	P&A	10/05/40	1150'		10" 40# @ 610' 6 5/8" 32# @ 947'	20 sx 100 sx 65 sk plug @ 1100' 10 sk plug @ surface	1045 - 1150' 420 qts Nitroglycenn	Grayburg

Exhibit "C" - Data on Wells in Area of Review
 Attachment to Form C-108 Application for Authorization to Inject
 Hillside Oil & Gas, LLC

Fox #1 Unit F Section 35, T18S, R26E, Eddy County, New Mexico

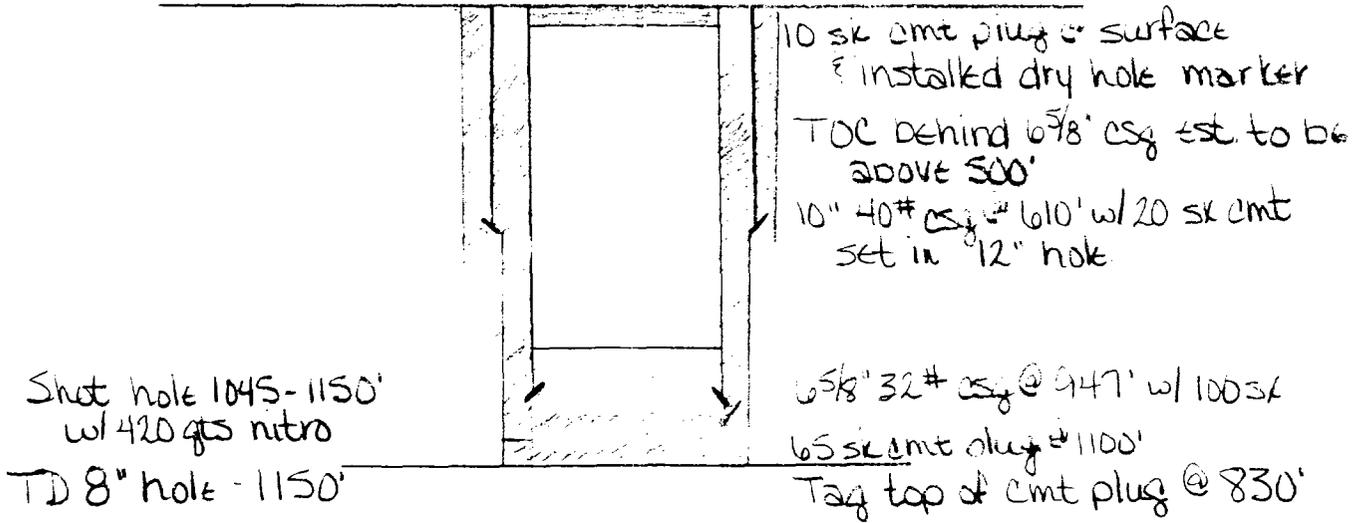
Well Name	Unit	IR#	Type	Date Drilled	ED	Completion	Perforations	Stimulation	Producing Zone	
Fedell #2		990' FNL & 1605' FES	P&A	08/28/50	1140'	7" 20# @ 917'	125 sx	917' - 1140'	75 qts Nitroglycerin	Grayburg
	B						80 sk plug @ 1137'	Open Hole		
							10 sk plug @ surface			
E. P. Campbell #1		330' FNL & 1980' FWL	P&A	03/31/59	1997'	8 5/8" @ 982'	600 sx (circ)			
	C						98 sk plug @ 750' - 1054'			
							casing collapsed			
							33 sk plug @ 450' - 550'			
							33 sk plug @ 200' - 300'			
							8 sk plug 25' - surface			
Roberts #1		2310' FWL & 990' FNL	P&A	09/17/41	1152'	8 1/4" 28# @ 932'	300 sx	1108' - 1133'	120 qts Nitroglycerin	Grayburg
	C						45 sk plug 880' - 980'			
							35 sk plug 350' - 450'			
							10 sk plug @ surface			
Fikes #1		330' FNL & 2045' FWL	Oil	12/01/82	3809'	3708'	600 sx (circ)	2820' - 3612'	180000 gal KCl & 400000# sand	Atoka Glorieta - Yeso
	C						5 1/2" 15.5# @ 3708'			
Sherri #1		660' FNL & 330' FWL	Oil	06/25/85	4100'	4014'	8 5/8" 24# @ 916.5'	2793' - 3835'	9000 gal acid; 240000 gal gel wrt & 475000# sand	Atoka Glorieta - Yeso
	D						5 1/2" 15.5# @ 4078'			
D H Goodrich #1		330' FNL & 330' FWL	Oil	12/16/58	6400'		8 5/8" 24# @ 1200'	6202' - 6210'	20000 gal acid	Dayton Abo
	D						5 1/2" 14.5# @ 6400'	5604' - 5624'	11000 gal acid	
								5550' - 5570'		
Fox #2		1980' FNL & 660' FWL	P&A	12/05/84	4151'	4122'	8 5/8" 24# @ 918.5'	2796' - 3882'	6000 gal 15% NEFE; 180000 gal KCl & 347500# sand	Atoka Glorieta - Yeso
	E						5 1/2" 15.5# @ 4136'			
							10 sk plug on CIBP @ 3425'			
							70 sk plug @ 966' - 837'			
							10 sk plug @ 30' - surface			
Fedell #2		1650' FNL & 2310' FEEL	Oil	01/05/84	3875'	3829'	8 5/8" 28# @ 972.65'	2910' - 3650'	180000 gal KCl & 290500# sand	Atoka Glorieta - Yeso
	G						5 1/2" 15.5# @ 3865'			
Fedell #4		1650' FNL & 990' FEEL	Oil	1/13/84	3975'	3933'	8 5/8" 24# @ 972'	3350' - 3718'	81450 gal KCl & 130000# sand	Atoka Glorieta - Yeso
	H						5 1/2" 15.5# @ 3961'	2960' - 3304'	98640 gal KCl & 160500# sand	
								(by temp survey)		

Exhibit D

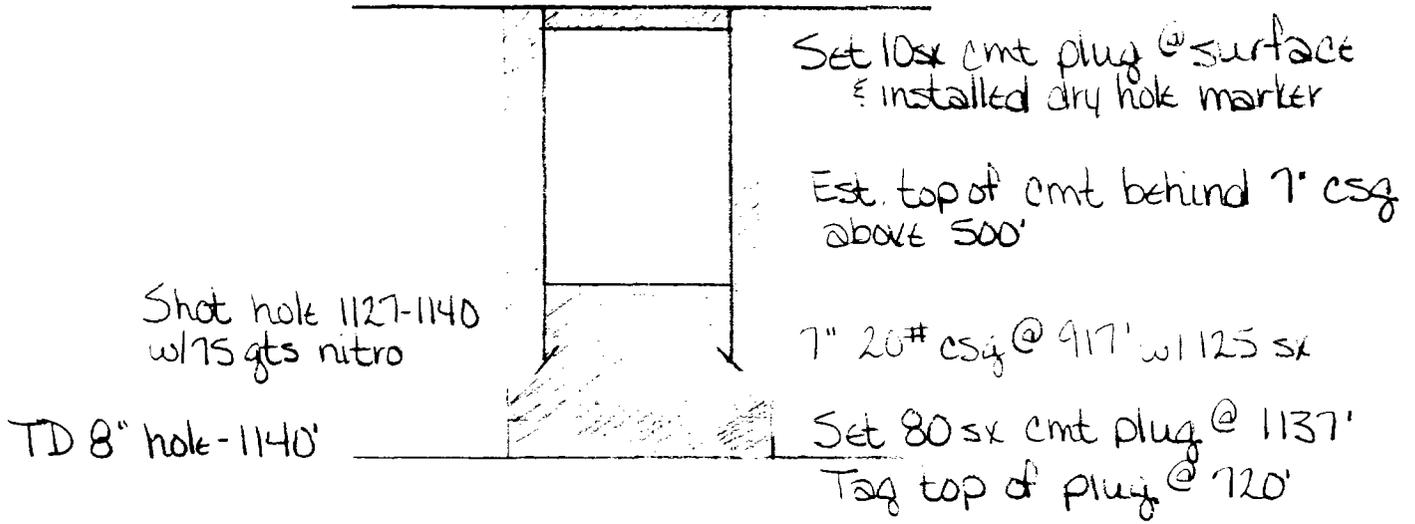
P & A

Wellbore
Diagrams

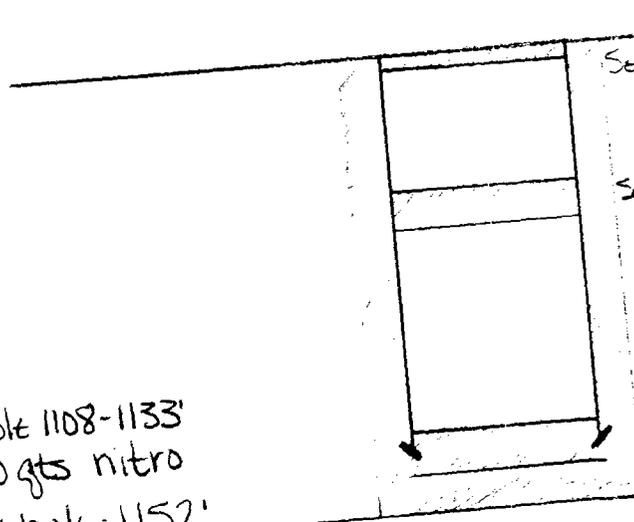
Fedell #1
330' FNL & 2310' FEL, Unit B
Section 35, T18S, R26E
Eddy County, NM
Drilled 10/05/40 - Plugged 07/26/83



Fedell #2
990' FNL & 1650' FEL, Unit B
Section 35, T18S, R26E
Eddy County, NM
Drilled 08/28/50 - Plugged 07/28/83



Roberts #1
2310' FWL & 990' FNL, Unit C
Section 35, T18S, R26E
Eddy County, NM
Drilled 09/17/41 - Plugged 04/13/79



Set 10 sk plug @ surface &
installed dry hole marker

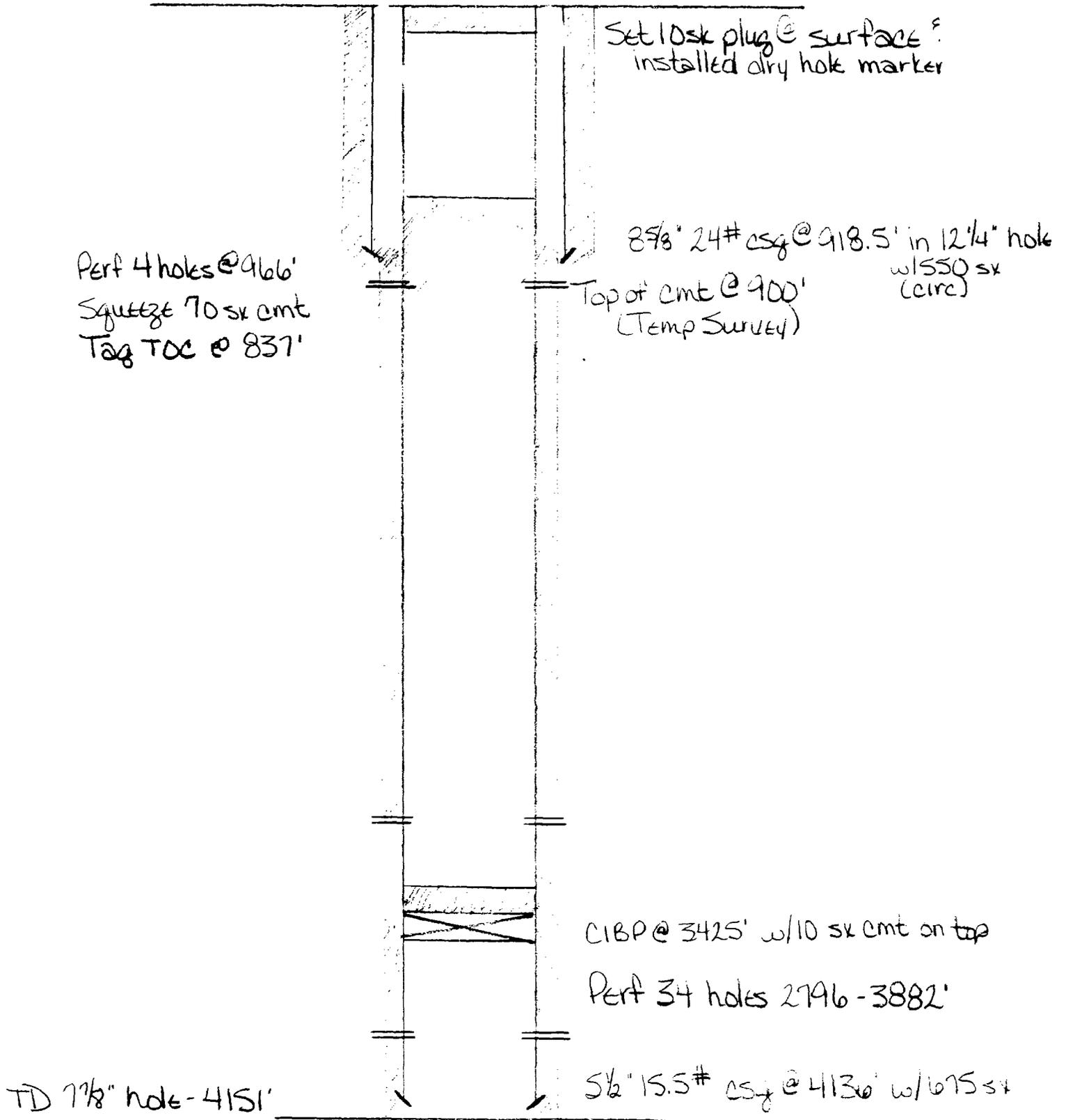
Set 35 sk plug 350'-450'

8 1/4" 23# csg @ 432' w/ 300 sk cmt
Set 45 sk cmt plug 480-880' (tagged)

Shot hole 1108-1133'
w/ 120 gts nitro
TD 10" hole - 1152'

Roberts #1

Fox #2
1980' FNL & 660' FWL, Unit E
Section 35, T18S, R26E
Eddy County, NM
Drilled 12/05/84 - Plugged 12/07/00



Perry L. Hughes

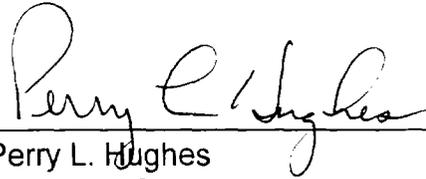
Petroleum Engineer

207 West McKay ♦ Carlsbad, NM 88220 ♦ 505-885-5433

Affirmative Statement

Exhibit "E"

I have examined the 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.



Perry L. Hughes
Petroleum Engineer

12/14/01

Date

Wireline Services
Division
 Geosource Inc.



RADIOACTIVITY
LOG

COUNTY _____
 FIELD _____
 LOCATION _____
 WELL _____
 COMPANY _____

COMPANY RALPH NIX RECEIVED
JUN 11 1983
 WELL FOX #1 O. C. D.
 FIELD YESO ATOKA ARTEGIA, OFFICE
 COUNTY EDDY STATE NEW MEXICO

Location: 1650 PNL & 1650 PWL Other Services:
NONI
 Sec. 35 Twp. 18-S Rge. 20-E

Permanent Datum: GROUND LEVEL, Elev. 3350 Elev.: K.B. 3355
 Log Measured From K.B. 5' Ft Above Perm. Datum D.F. _____
 Drilling Measured From KELLY BUSHING G.L. 3350

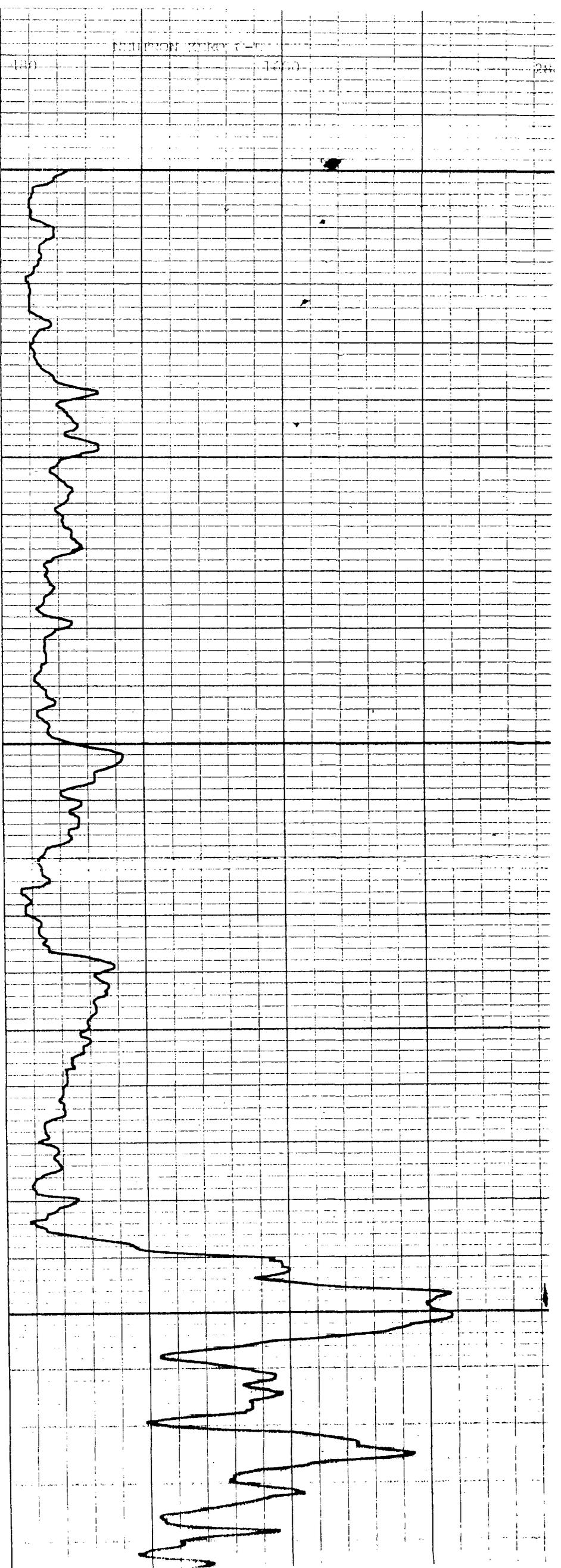
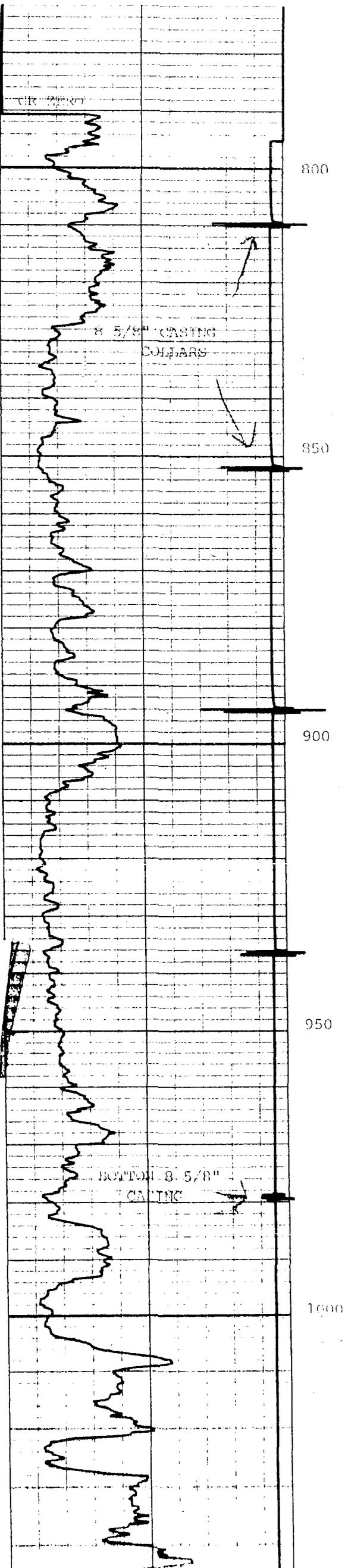
Date	3-11-83
Run No.	ONE
Type Log	CALBRATED GAMMA RAY NEUTRON
Depth — Driller	4055
Depth — Logger	4064
Bottom Logged Interval	4063
Top Logged Interval	800
Type Fluid In Hole	BRINE WATER
Salinity, PPM Cl.	
Density	
Level	FULL
Max. Rec. Temp., Deg F.	
Operating Rig Time	3 HRS.
Recorded By	T. GILL
Witnessed By	MR. HARRIS

RUN No.	BORE-HOLE RECORD				CASING RECORD			
	Bit	From	To	Size	Wgt.	From	To	

FOLD HERE

TA APPROVED 1/28/00 FOR 5 YRS

Exhibit 'F'



GRANBILLS

DATE 9/89

TOTAL 38 HOURS

ACID W/
1000 gal
MCA

ACID W/1000 gal
MCA

FRAC W/ 40000 gal 40" X-LINE

46000# 20/40

16500# 12/20

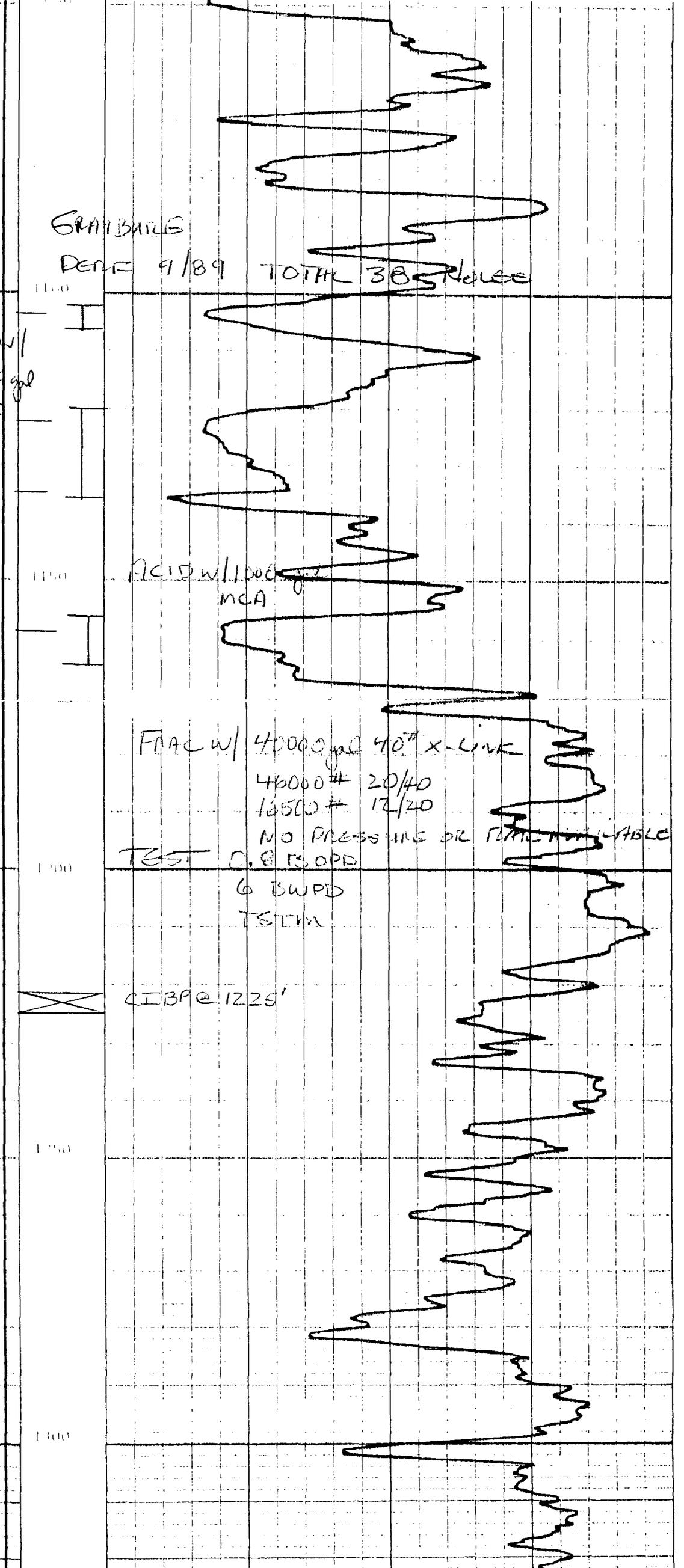
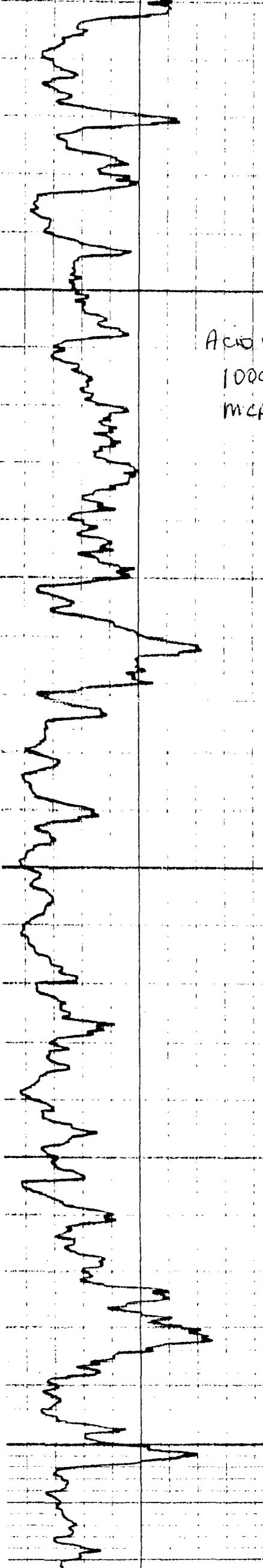
NO PRESSURE OR TEMPERATURE AVAILABLE

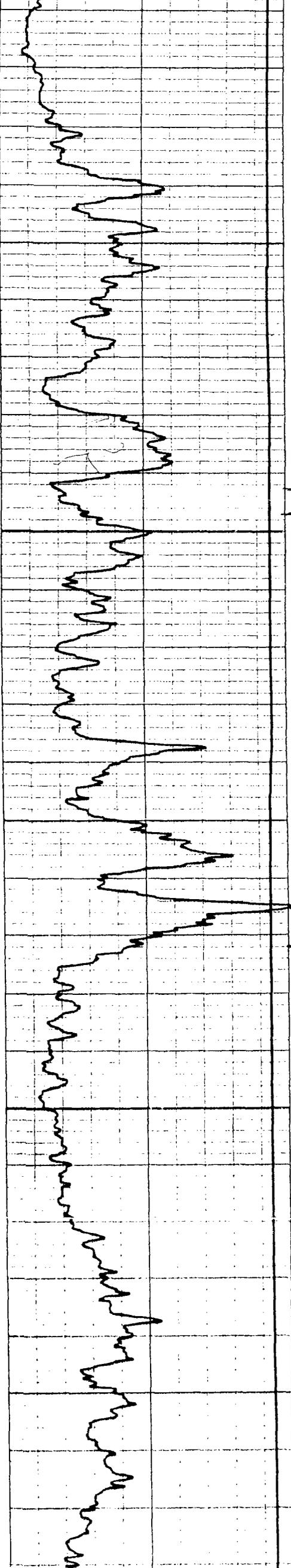
TEST 0.8 BOPD

6 BWPD

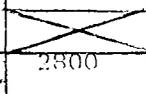
TEST W

CI BP @ 1225'





2750

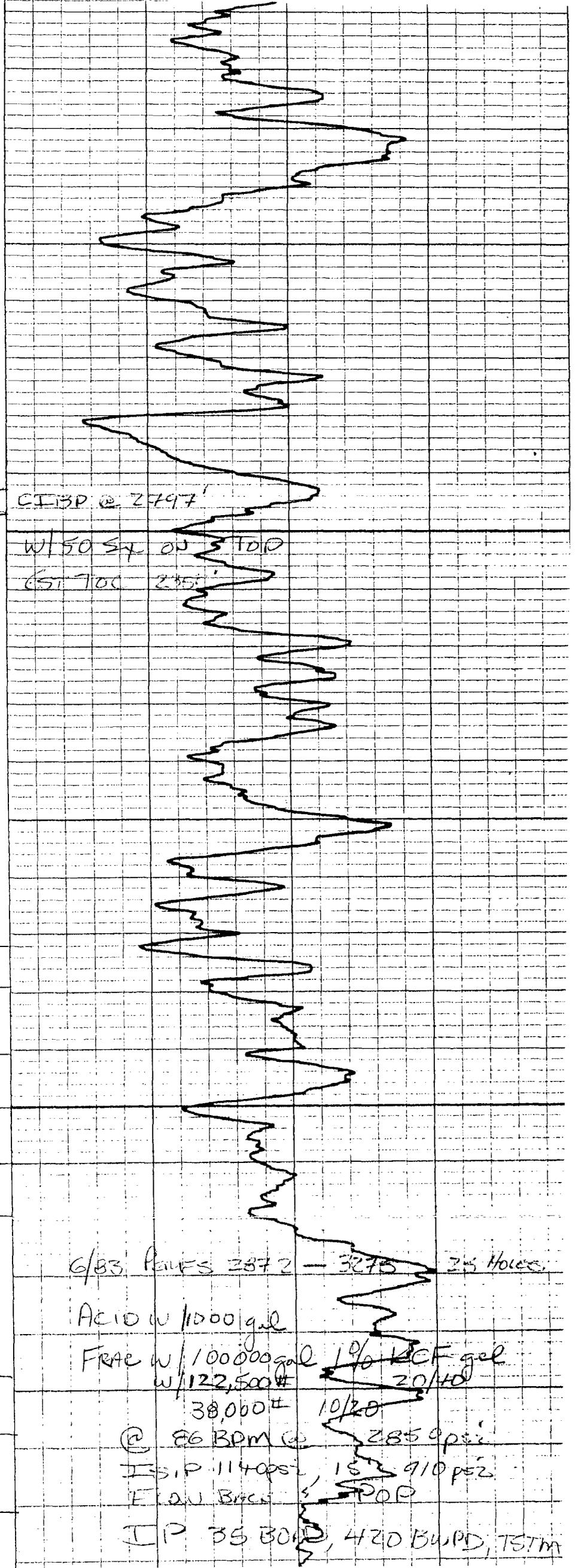


2800

2850

2900

2950



CIIP @ 2797'

W/50 ST. 00 TOID
 (ST 700 235)

6/83 Pumps 2872 - 3275 25 Holes

ACID w/1000 gal

Frac w/100000 gal 1% KCF gel
 w/122,500# 20/10

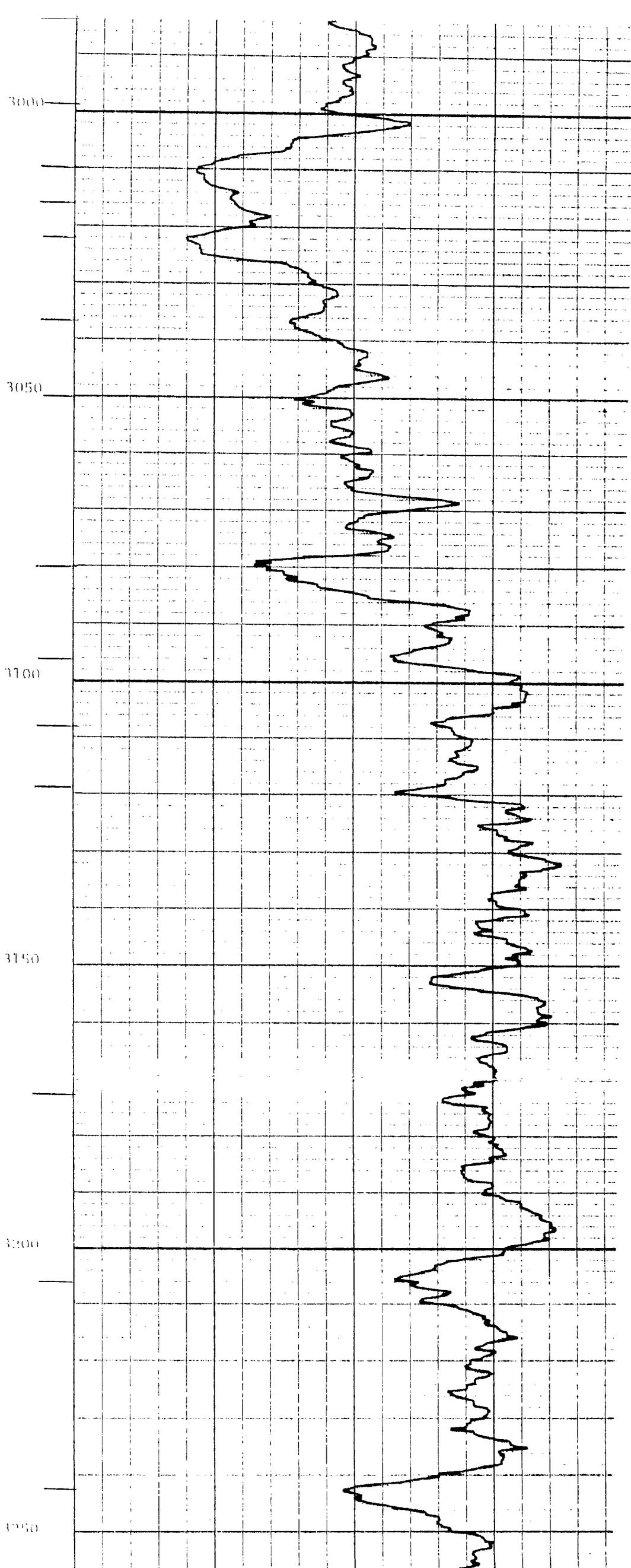
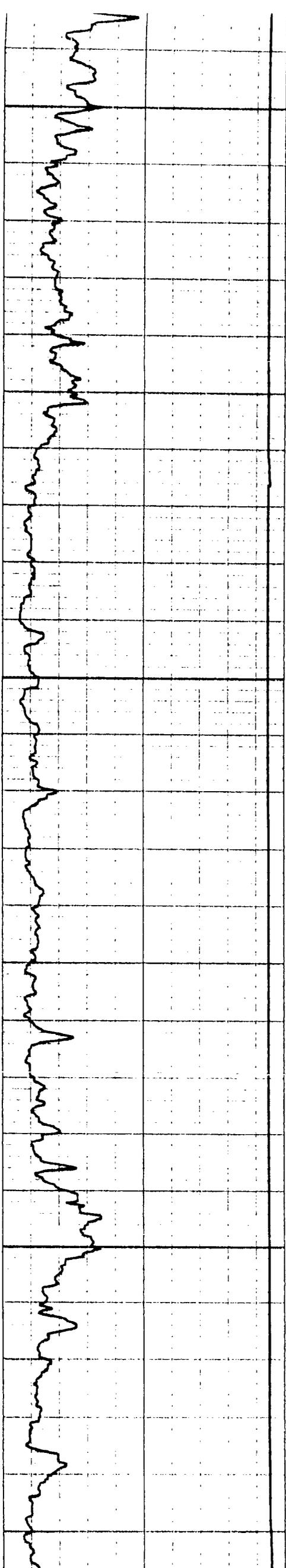
38,000# 10/20

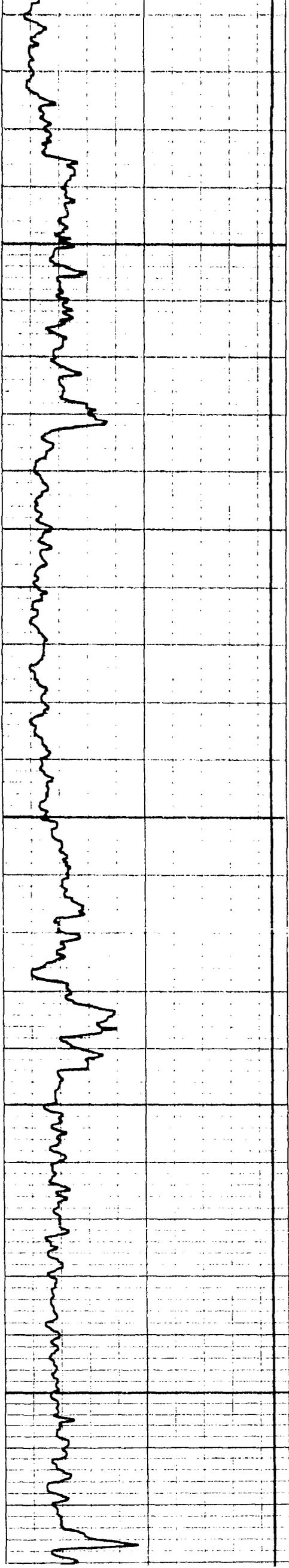
@ 86 BPM @ 2850 psi

ISIP 1140 psi, IS 910 psi

Flow Back POP

IP 35 BPM, 420 BU, PD, TSTM





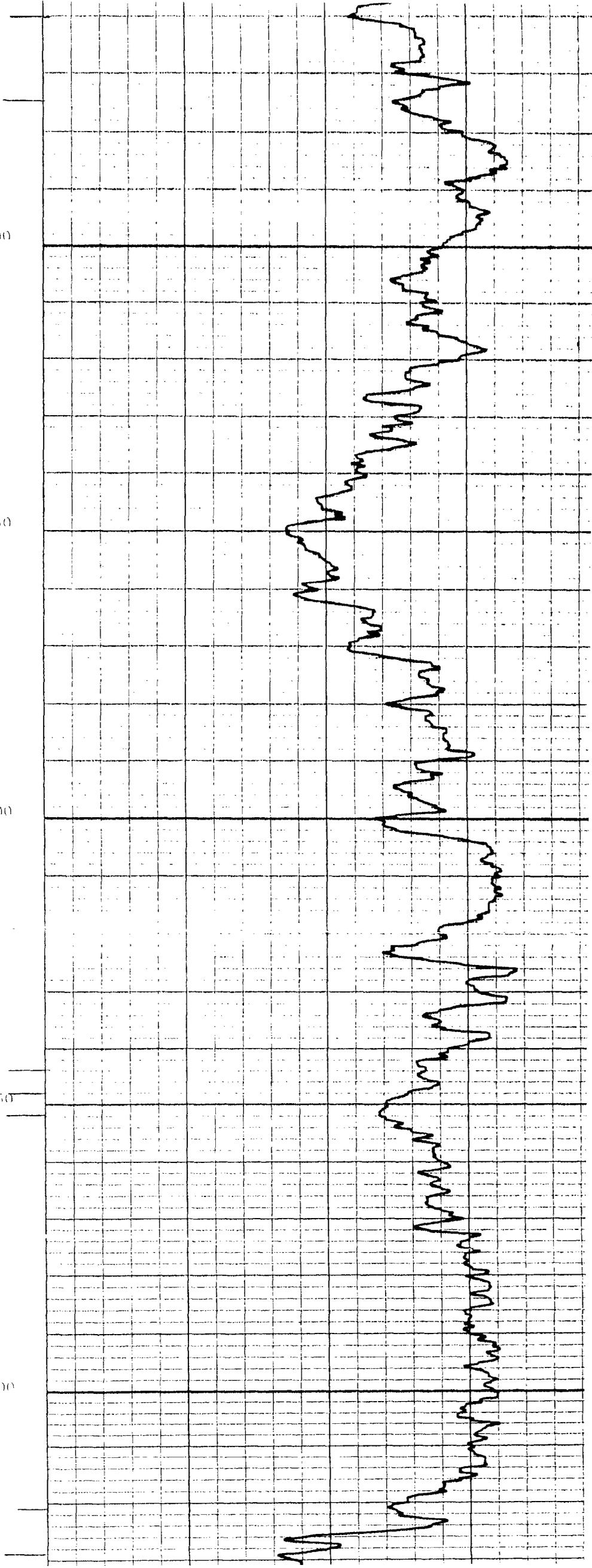
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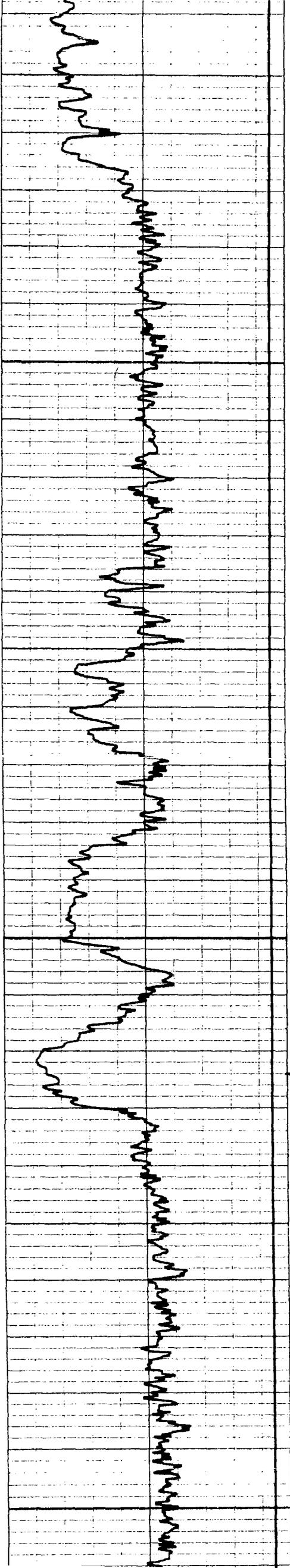
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3400

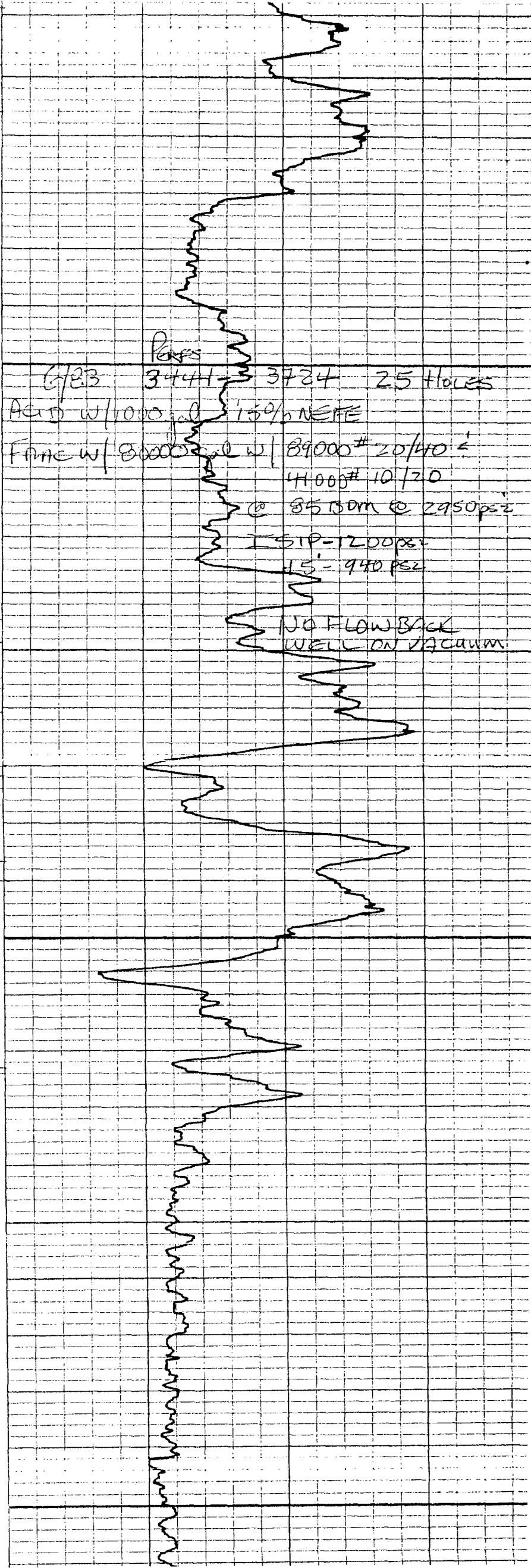
3450

3500

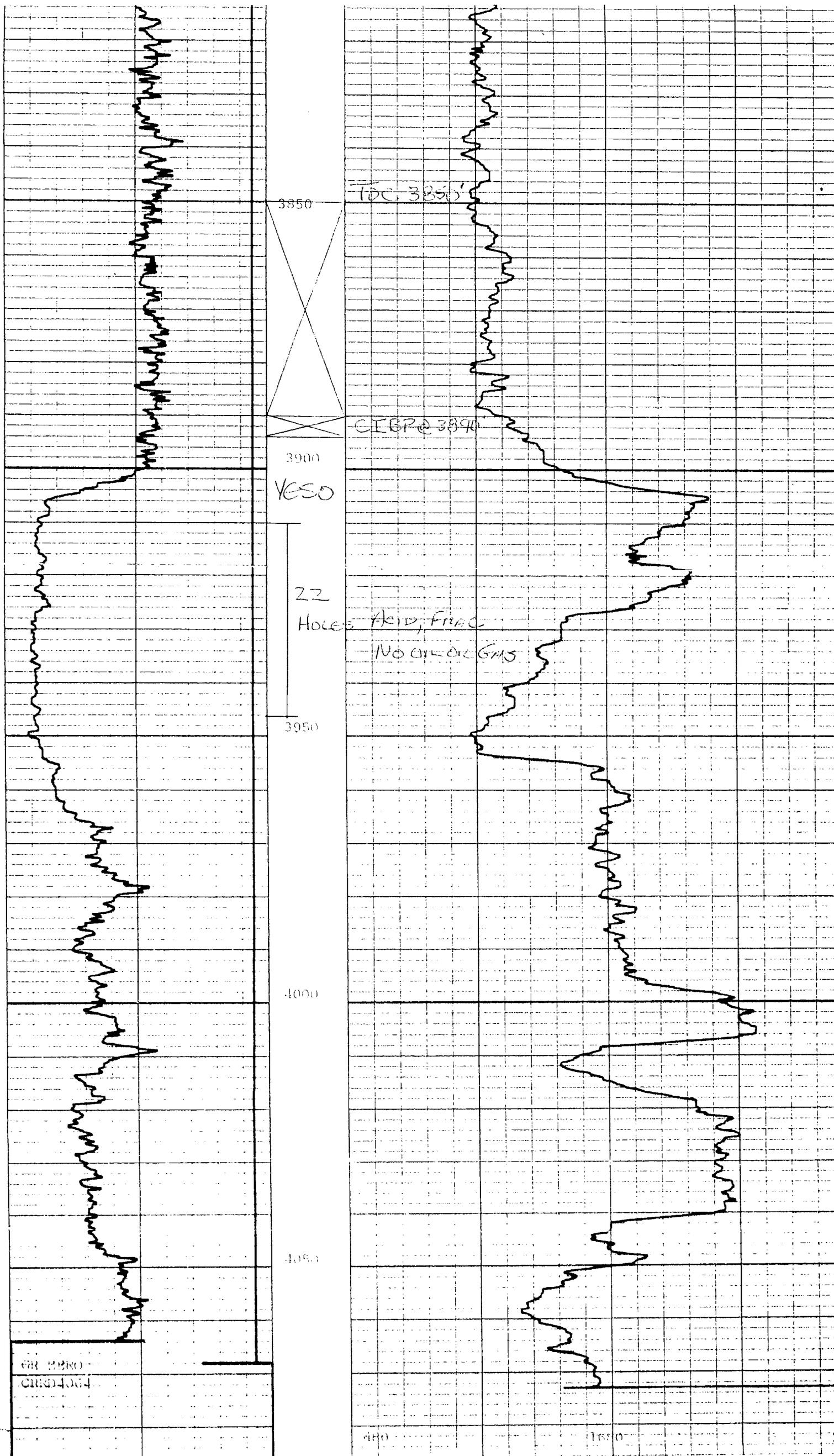




3550
3600
3650
3700
3750
3800



6/23 Pass 3441-3724 25 Holes
Acid w/1000 gal 15% NETA
Frame w/8000 gal w/8900# 20/40' &
4100# 10/20
@ 85 BDM @ 2950 PSI
ISIP=1200 PSI
IS=940 PSI
NO FLOWBACK
WELL ON VACUUM



3850

TDC, 3850'

CEBP@ 3890'

3900

YESO

22

HOLES ACID, FRAC
NO OR ORGANIS

3950

4000

4050

GR MICRO
CIRCUIT

480

1650

Affidavit of Publication

NO. 17577

Copy of Publication:

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

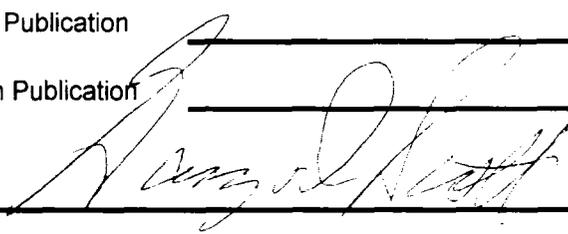
was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/days on the same day as follows:

First Publication December 16 2001

Second Publication _____

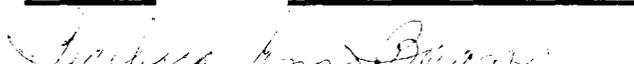
Third Publication _____

Fourth Publication _____



Subscribed and sworn to before me this

17th day of December 2001


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

LEGAL NOTICE

Hillside Oil & Gas, LLC, PO Box 8911, Midland, TX 79708, has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt-water disposal well. The proposed well, the "Fox #1" is located 1650' FNL & 1650' FWL of Section 35, Township 18 South, Range 26 East of Eddy County, New Mexico, will be used for salt-water disposal only. Produced waters from the Glorieta Yeso will be re-injected into the Glorieta Yeso formation at a depth of 2872-3724 feet with a maximum pressure of 1500 psi and a maximum rate of 1000 BWPD. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, NM 87505, within 15 days. Additional information may be obtained by contacting Perry L. Hughes at 505-885-5433.

Published in the Artesia Daily Press, Artesia, N.M. December 16, 2001.

Legal 17577

Exhibit "G"

Perry L. Hughes

Petroleum Engineer

207 West McKay ♦ Carlsbad, NM 88220 ♦ 505-885-5433

December 12, 2001

CERTIFIED RETURN RECEIPT

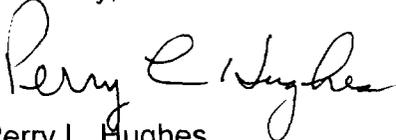
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

Enclosed please find a copy of Form C-108 (Application for Authorization to Inject) on Hillside Oil & Gas, LLC's Fox #1 well located in Unit F of Section 35, T18S, R26E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at 505-885-5433.

Sincerely,



Perry L. Hughes
Agent for Hillside Oil & Gas, LLC

PLH/mp

Enclosure

Perry L. Hughes

Petroleum Engineer

207 West McKay ♦ Carlsbad, NM 88220 ♦ 505-885-5433

December 12, 2001

CERTIFIED RETURN RECEIPT

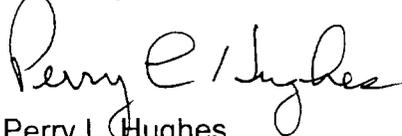
Premier Oil & Gas
PO Box 1246
Artesia, NM 88211-1246

Dear Mrs. Jones:

Enclosed please find a copy of Form C-108 (Application for Authorization to Inject) on Hillside Oil & Gas, LLC's Fox #1 well located in Unit F of Section 35, T18S, R26E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at 505-885-5433.

Sincerely,



Perry L. Hughes
Agent for Hillside Oil & Gas, LLC

PLH/mp

Enclosure

Perry L. Hughes

Petroleum Engineer

207 West McKay ♦ Carlsbad, NM 88220 ♦ 505-885-5433

December 12, 2001

CERTIFIED RETURN RECEIPT

Macheers Family Trust et al
1244 Wood Ave.
Wichita, KS 67212

To Whom It May Concern:

Enclosed please find a copy of Form C-108 (Application for Authorization to Inject) on Hillside Oil & Gas, LLC's Fox #1 well located in Unit F of Section 35, T18S, R26E, Eddy County, New Mexico.

Should you have any questions, please feel free to contact me at 505-885-5433.

Sincerely,



Perry L. Hughes
Agent for Hillside Oil & Gas, LLC

PLH/mp

Enclosure