

DATE IN 9.8.11	SUSPENSE	ENGINEER WVJ	LOGGED IN 9.8.11	TYPE SWD	APP NO. 1125157364
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RTG-W  
1302  
Yates 25575  
Shocker SWD #1  
NO ACD YET!

## 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

### [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.

Sam Brandon  
Print or Type Name

Sam Brandon  
Signature

Sr. Production Eng  
Title

9-8-11  
Date

sbrandon@yatespetroleum.com  
e-mail Address

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-7781  
TELEPHONE (575) 748-1471

JOHN A. YATES  
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.  
PRESIDENT

SCOTT M. YATES  
VICE PRESIDENT

JAMES S. BROWN  
CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

September 2, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Dear Sir or Madam:

Enclosed is our original application and one copy of form C-108, Application for Authorization to Inject. The proposed well name is Shocker SWD #1. This well has not been drilled but our plans for the well are outlined in the application.

If you have additional requirements or questions, please contact the undersigned.

Sincerely,

Sam Brandon  
Area Engineer/Senior Production Engineer  
Yates Petroleum Corporation

(575) 748-4281

Enclosure

*Shocker SWD #1*

*A-32-255-295*

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Yates Petroleum Corporation  
ADDRESS: 105 S. 4<sup>th</sup> Street, Artesia New Mexico 88210  
CONTACT PARTY: Sam Brandon PHONE: 575-748-4281
- 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 X 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 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: Sam Brandon TITLE: Senior Production Engineer  
SIGNATURE: Sam Brandon DATE: 9-2-11  
E-MAIL ADDRESS: sbrandon@yatespetroleum.com
- \* 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.

- 1) Lease Name: **Shocker SWD #1**  
Location: **990' FNL & 990' FEL Sec. 32-25S-29E**
- 2) **All the following is proposed:**  
20" 94# H40 set @ 330'. 24" hole size. 360 sacks cement. TOC = surface.  
13 3/8" 48#, 54.5#, 61# set at 2300'. 17.5" hole size. 3000 sacks cement.  
TOC = surface  
9 5/8" 40#, 43.5#, 47# set at 11100'. 12.25" hole size. 1800 sx cement.  
TOC = 1800'  
7" 32# liner set at 10800-15500'. 8.5" hole size. 700 sx cement. TOC 10800'  
Open hole - 5.875", 15500' to 15700'
- 3) Tubing  
**3.5" 9.3# P110 internally coated with TK500 set at 15450'**
- 4.) Packer  
**7" AS-1 nickel plated packer set at 15450'**

#### B.

- 1) Injection formation: **Devonian**
- 2) Injection interval: **15500' to TD (planned 15700')**
- 3) **This well will be drilled for injection**
- 4) **There will be no other perforated intervals in the well**
- 5) Next higher productive zone: **Morrow**. Next lower productive zone: **None**

IV. Is this an expansion of an existing project? **No**

VI. **No wells in the Area of Review have penetrated the proposed injection interval.**

- VII. 1) Proposed average and maximum daily rate and volume of fluids to be injected:  
**Avg vol = 10000 bpd, Max vol = 15000 bpd**  
**Avg rate = 13500 bpd, Max rate = 20000 bpd**
- 2) **This will be a closed system**
- 3) Proposed average and maximum pressure: **Avg = 1000 psi, Max = 3100 psi.**
- 4) Sources of water: **frac flowback water, Delaware and Bone Springs. Analyses attached.**
- 5) Analysis of disposal zone water: **To be obtained when drilled.**

VIII. Geologic data on the injection zone. **See Attachment D.**

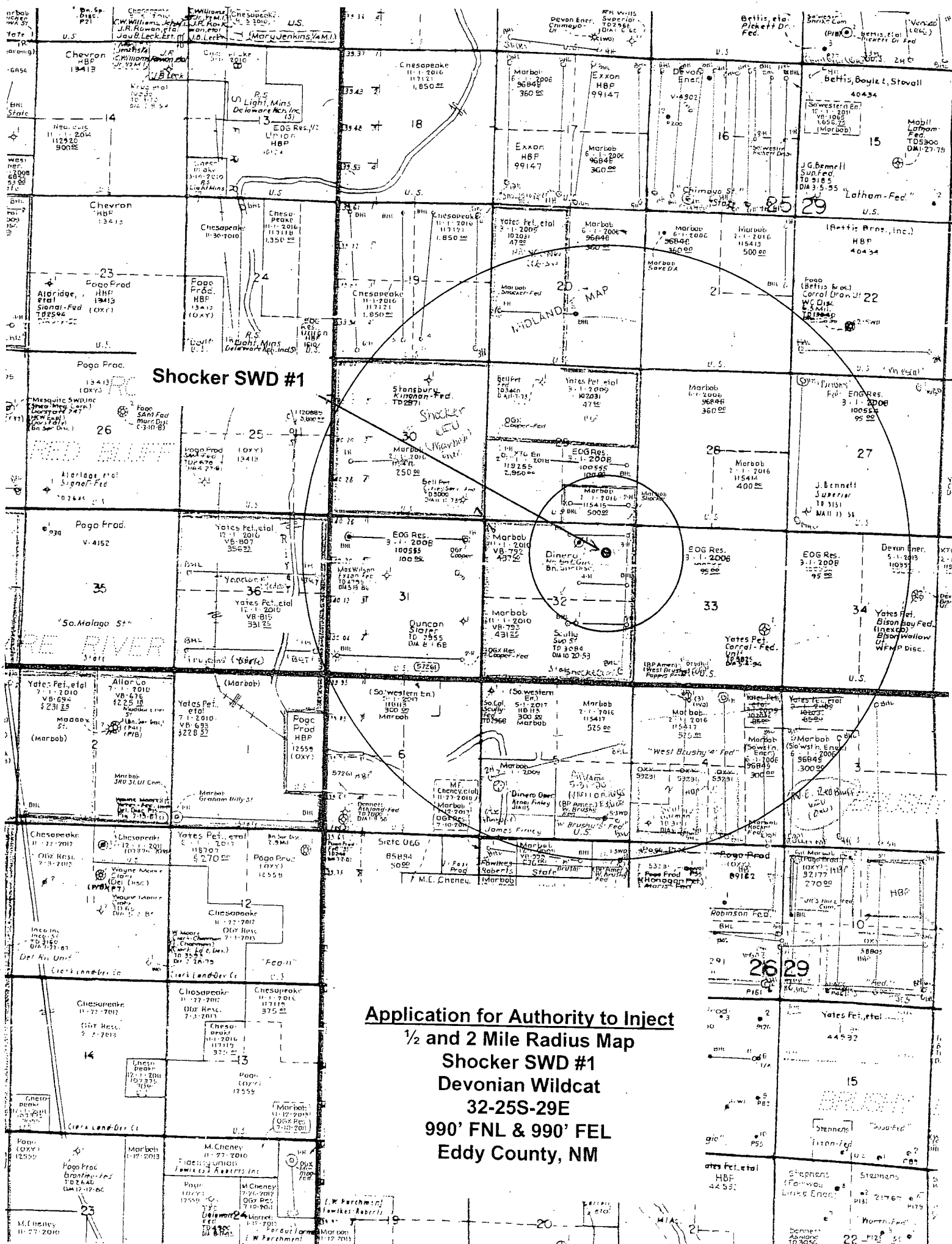
IX. Stimulation program: **Open hole interval will be stimulated with 15000 gallons of 15% NEFE HCl, flushed to total depth.**

X. Attach appropriate logging and test data on the well. **To be attached upon completion.**

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. **One fresh water well was found within one mile.**  
Well location: approximately 1 mile south of Shocker 32 State Com No. 3H. Sample taken 8/24/11. Analysis attached.

XII. **See Attachment E.**

XIII. **See Attachment F.**



**Application for Authority to Inject**  
**1/2 and 2 Mile Radius Map**  
**Shocker SWD #1**  
**Devonian Wildcat**  
**32-25S-29E**  
**990' FNL & 990' FEL**  
**Eddy County, NM**

Well Name: Shocker SWD No. 1 Field: \_\_\_\_\_

Location: 990' FNL & 990' FEL Sec. 32-25S-29E Eddy Co., NM

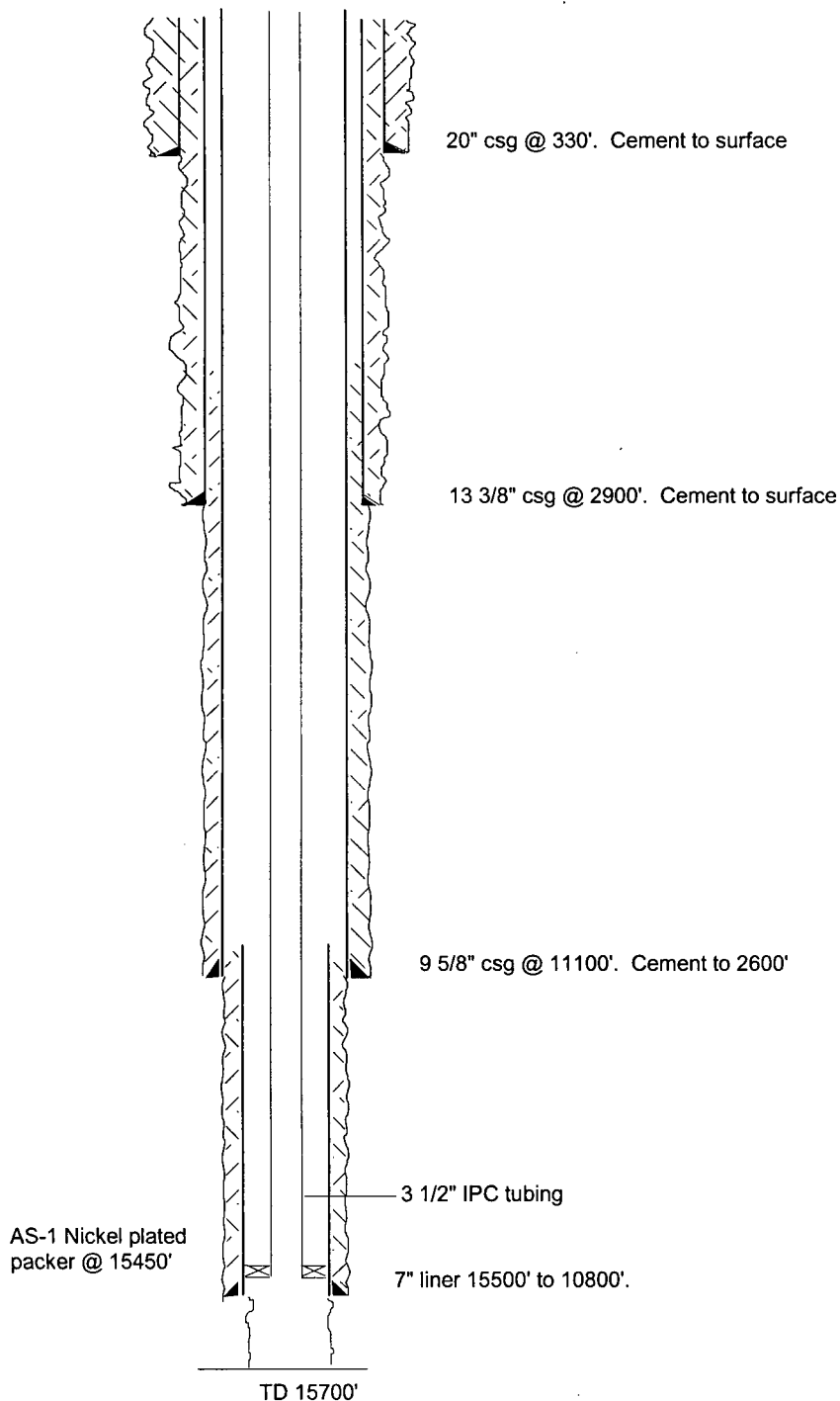
GL: \_\_\_\_\_ Zero: \_\_\_\_\_ AGL: \_\_\_\_\_ KB: \_\_\_\_\_

Spud Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Comments: \_\_\_\_\_

Casing Program	
Size/Wt/Grade/Conn	Depth Set
20" 94# H40	330'
13 3/8" 48, 54.5, 61# J55, HCK55	2900'
9 5/8" 40, 43.5, 47# HCK55, HCP110	11100'
7" liner 32#, P110, Q125	10800-15500'

PROPOSED CONFIGURATION



TD 15700'

SKETCH NOT TO SCALE

DATE: 8/15/11 EDDYSWD1

Application for Authorization to Inject

Section VIII

Shocker SWD #1  
Formations and expected depths

<u>Formation</u>	<u>Expected Measured Depth</u>
Castille	1370'
Delaware	2900'
Cherry Canyon	3780'
Brushy Canyon	5080'
Bone Spring	6650'
1 <sup>st</sup> Bone Spring Sand	7110'
2 <sup>nd</sup> Bone Spring Sand	7900'
3 <sup>rd</sup> Bone Spring Sand	8800'
Wolfcamp	9100'
Strawn	11900'
Atoka	12300'
Morrow	13000'
Mississippian	13800'
Barnett	14370'
Mississippian Lime	14970'
Woodford	15180'
Devonian	15320'

Lithology of the proposed Devonian injection interval is dolomite. Expected thickness is greater than 300 feet. Anticipated top is 15320'.

Underground sources of drinking water are from the Lower Cretaceous and Upper Triassic redbeds, existing from near the surface to a depth of about 350 feet.

There are no known sources of drinking water below the proposed injection interval.

# WATER ANALYSIS REPORT -----

Company : YATES PETROLEUM	Date : 8/25/11
Address : ARTESIA, NM	Date Sampled : 8/24/11
Lease : 1 MILE SOUTH OF SHOC	Analysis No. : 00324
Well : FRESH WATER WELL	
Sample Pt. : WELL	

ANALYSIS	mg/L	* meq/L
-----	-----	-----
1. pH	7.3	
2. H2S	0	
3. Specific Gravity	1.000	
4. Total Dissolved Solids	6230.3	
5. Suspended Solids	NR	
6. Dissolved Oxygen	NR	
7. Dissolved CO2	NR	
8. Oil In Water	NR	
9. Phenolphthalein Alkalinity (CaCO3)		
10. Methyl Orange Alkalinity (CaCO3)		
11. Bicarbonate	HCO3 159.0	HCO3 2.6
12. Chloride	Cl 3195.0	Cl 90.1
13. Sulfate	SO4 575.0	SO4 12.0
14. Calcium	Ca 880.0	Ca 43.9
15. Magnesium	Mg 23.7	Mg 1.9
16. Sodium (calculated)	Na 1442.5	Na 62.7
17. Iron	Fe 2.5	
18. Barium	Ba NR	
19. Strontium	Sr NR	
T 20. Total Hardness (CaCO3)	2100.0	

## PROBABLE MINERAL COMPOSITION -----

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+	+-----+	+-----+	+-----+
44   *Ca <----- *HCO3	3   Ca (HCO3) 2	81.0	211
-----  /----->	CaSO4	68.1	815
-2   *Mg -----> *SO4	CaCl2	55.5	1628
-----  <-----/	Mg (HCO3) 2	73.2	
63   *Na -----> *Cl	MgSO4	60.2	
+-----+	MgCl2	47.6	
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	3553
BaSO4 2.4 mg/L			

REMARKS:



SCALE TENDENCY REPORT

Company : YATES PETROLEUM Date : 8/25/11  
Address : ARTESIA, NM Date Sampled : 8/24/11  
Lease : 1 MILE SOUTH OF SHOC Analysis No. : 00324  
Well : FRESH WATER WELL Analyst : A. MILLER  
Sample Pt. : WELL

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO3 Scaling Tendency

S.I. = 0.5 at 70 deg. F or 21 deg. C  
S.I. = 0.6 at 90 deg. F or 32 deg. C  
S.I. = 0.6 at 110 deg. F or 43 deg. C  
S.I. = 0.6 at 130 deg. F or 54 deg. C  
S.I. = 0.7 at 150 deg. F or 66 deg. C

\*\*\*\*\*

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S = 1486 at 70 deg. F or 21 deg C  
S = 1526 at 90 deg. F or 32 deg C  
S = 1540 at 110 deg. F or 43 deg C  
S = 1527 at 130 deg. F or 54 deg C  
S = 1503 at 150 deg. F or 66 deg C

Respectfully submitted,  
A. MILLER

North Permian Basin Region

P.O. Box 740

Sundown, TX 79372-0740

(806) 229-8121

Lab Team Leader - Sheila Hernandez

(432) 495-7240

*Bone Spring***Water Analysis Report by Baker Petrolite**

Company:	YATES PETROLEUM INC	Sales RDT:	33514.1
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (575) 910-7135
Area:	ARTESIA, NM	Sample #:	534665
Lease/Platform:	PINOCHLE 'BPN' STATE COM	Analysis ID #:	106795
Entity (or well #):	2 H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 534665 @ 75 F							
Sampling Date:	03/10/11	Anions		mg/l	meq/l	Cations		mg/l	meq/l
Analysis Date:	03/18/11	Chloride:	109618.0		3091.92	Sodium:	70275.7		3056.82
Analyst:	SANDRA GOMEZ	Bicarbonate:	2135.0		34.99	Magnesium:	195.0		16.04
		Carbonate:	0.0		0.	Calcium:	844.0		42.12
TDS (mg/l or g/m3):	184911.1	Sulfate:	747.0		15.55	Strontium:	220.0		5.02
Density (g/cm3, tonne/m3):	1.113	Phosphate:				Barium:	0.8		0.01
Anion/Cation Ratio:	1	Borate:				Iron:	6.5		0.23
		Silicate:				Potassium:	869.0		22.22
						Aluminum:			
Carbon Dioxide:	0.50 PPM	Hydrogen Sulfide:			0 PPM	Chromium:			
Oxygen:		pH at time of sampling:			7	Copper:			
Comments:		pH at time of analysis:				Lead:			
		pH used in Calculation:			7	Manganese:	0.100		0.
						Nickel:			

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO <sub>3</sub>		Gypsum CaSO <sub>4</sub> *2H <sub>2</sub> O		Anhydrite CaSO <sub>4</sub>		Celestite SrSO <sub>4</sub>		Barite BaSO <sub>4</sub>		CO <sub>2</sub> Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	1.08	188.52	-1.20	0.00	-1.18	0.00	-0.11	0.00	0.56	0.29	1.72
100	0	1.10	206.05	-1.29	0.00	-1.20	0.00	-0.15	0.00	0.35	0.29	2.35
120	0	1.12	224.17	-1.36	0.00	-1.19	0.00	-0.17	0.00	0.16	0.00	3.17
140	0	1.13	243.17	-1.42	0.00	-1.16	0.00	-0.18	0.00	0.00	0.00	4.21

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

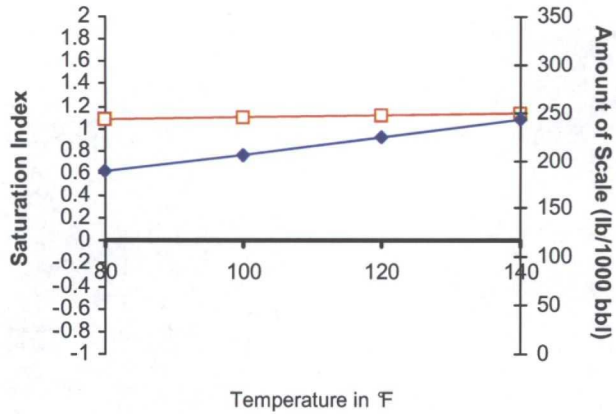
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO<sub>2</sub> pressure is actually the calculated CO<sub>2</sub> fugacity. It is usually nearly the same as the CO<sub>2</sub> partial pressure.

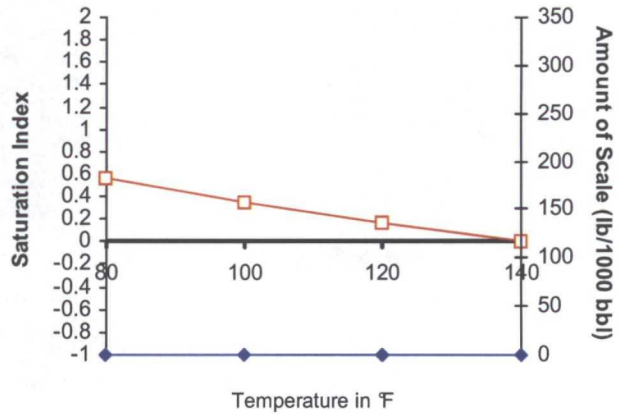
# Scale Predictions from Baker Petrolite

Analysis of Sample 534665 @ 75 °F for YATES PETROLEUM INC, 03/18/11

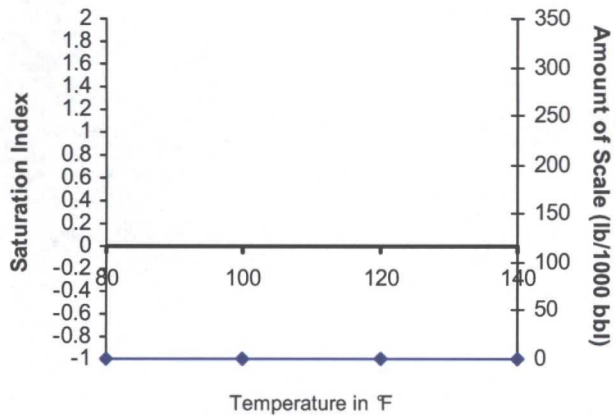
**Calcite -  $\text{CaCO}_3$**



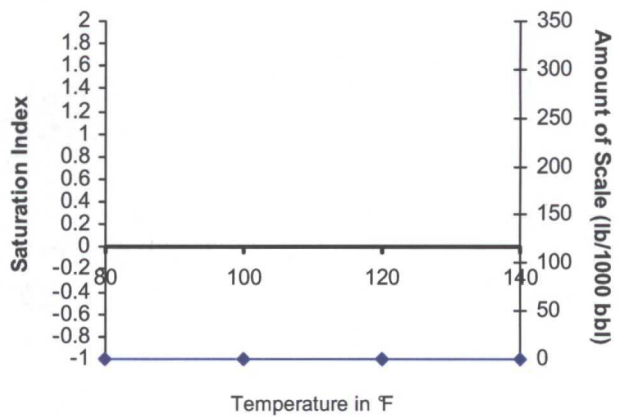
**Barite -  $\text{BaSO}_4$**



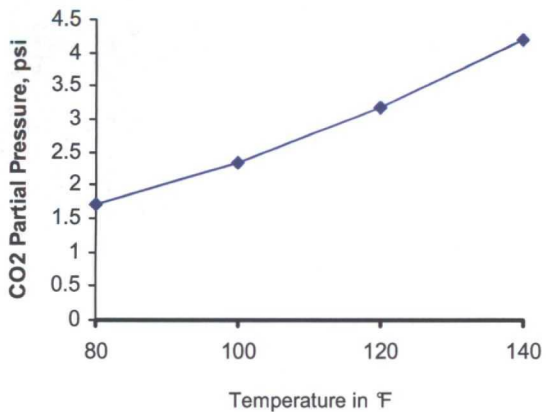
**Gypsum -  $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$**



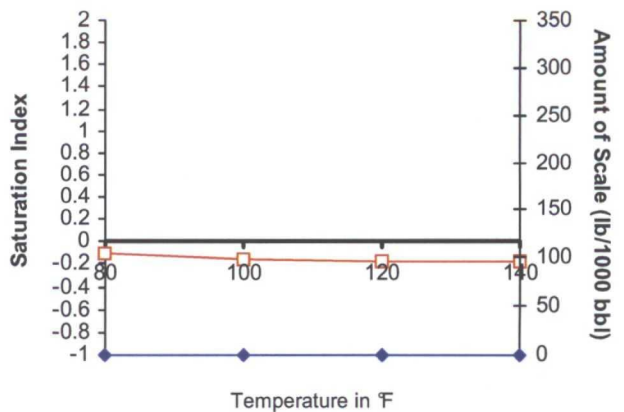
**Anhydrite -  $\text{CaSO}_4$**



**Carbon Dioxide Partial Pressure**



**Celestite -  $\text{SrSO}_4$**





# PRODUCTION DEPARTMENT

MAR 17 2008

# MILLER CHEMICALS, INC.

Post Office Box 298  
Artesia, N.M. 88211-0298  
(505) 746-1919 Artesia Office  
(505) 392-2893 Hobbs Office  
(505) 746-1918 Fax  
mci@plateautel.net

Delaware Brushy Canyon

## WATER ANALYSIS REPORT

Company : YATES PETROLEUM CORP Date : MARCH 17, 2008  
Address : Date Sampled : MARCH 17, 2008  
Lease : LOVING "AIB" Analysis No. :  
Well : #15  
Sample Pt. : WELLHEAD

ANALYSIS		mg/L	* meq/L
1. pH	6.0		
2. H2S	0		
3. Specific Gravity	1.070		
4. Total Dissolved Solids		304684.9	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO2		NR	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO3)			
10. Methyl Orange Alkalinity (CaCO3)			
11. Bicarbonate	HCO3	927.0	HCO3 15.2
12. Chloride	Cl	187440.0	Cl 5287.4
13. Sulfate	SO4	500.0	SO4 10.4
14. Calcium	Ca	37200.0	Ca 1856.3
15. Magnesium	Mg	996.3	Mg 82.0
16. Sodium (calculated)	Na	77586.6	Na 3374.8
17. Iron	Fe	35.0	
18. Barium	Ba	NR	
19. Strontium	Sr	NR	
20. Total Hardness (CaCO3)		97000.0	

## PROBABLE MINERAL COMPOSITION

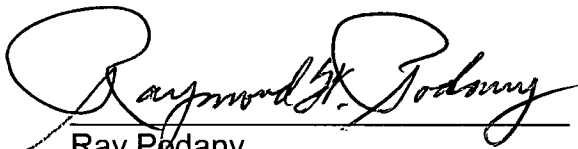
*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+			
1856  *Ca <----- *HCO3   15	Ca (HCO3) 2	81.0 15.2	1231
-----  /----->  -----	CaSO4	68.1 10.4	709
82  *Mg -----> *SO4   10	CaCl2	55.5 1830.7	101584
-----  <-----/  -----	Mg (HCO3) 2	73.2	
3375  *Na -----> *Cl   5287	MgSO4	60.2	
+-----+	MgCl2	47.6 82.0	3902
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4 3374.8	197223
BaSO4 2.4 mg/L			

REMARKS:

**Attachment E**

C-108 Application for Authorization to Inject  
Yates Petroleum Corporation  
Shocker SWD No. 1  
Unit A, Section 32 T25S-R29E  
Eddy 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.



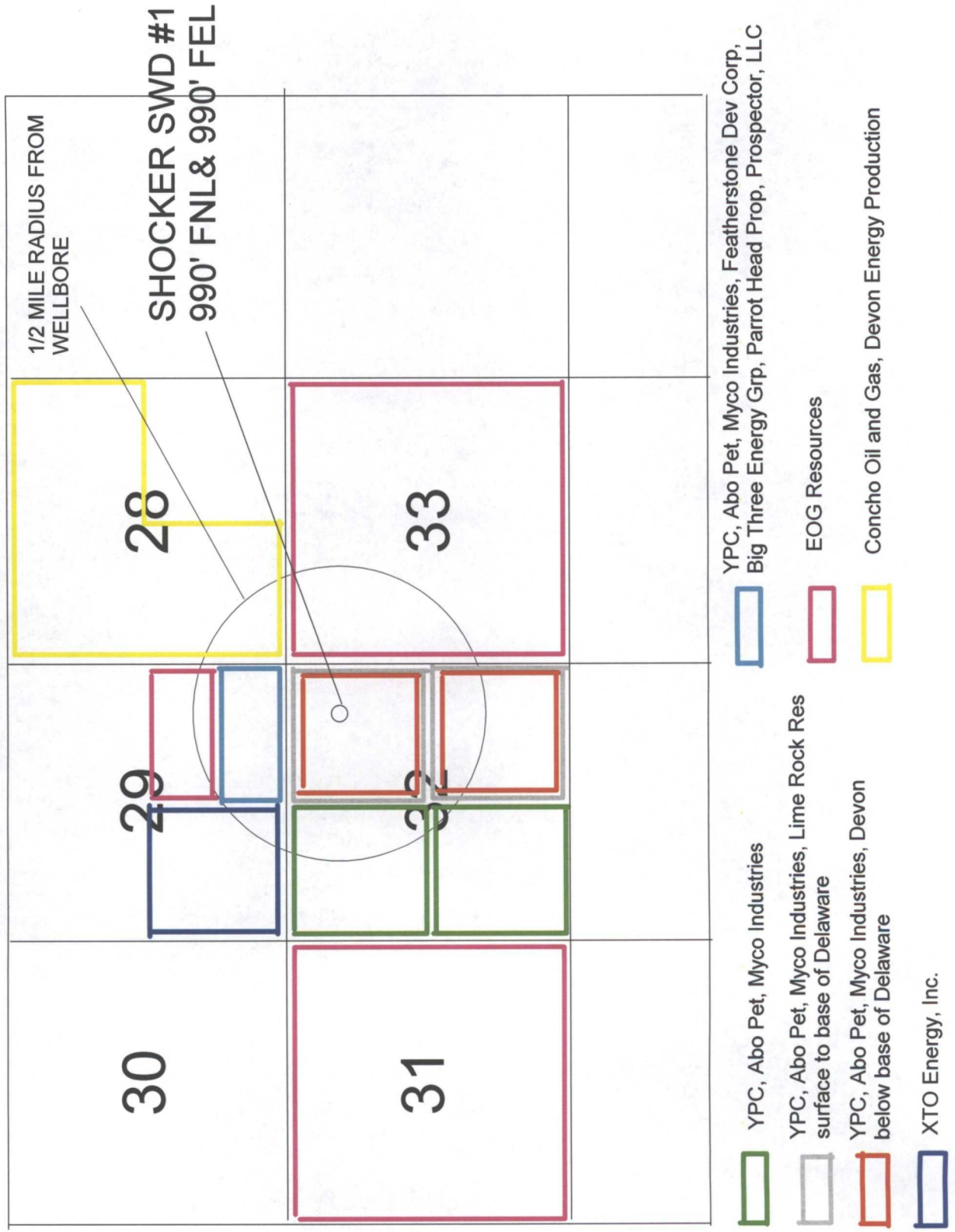
Ray Podany  
Geologist  
Yates Petroleum Corporation

8-29-2011

Date

# YATES PETROLEUM CORPORATION SHOCKER SWD #1

Sec 32, T-25-S, R-29-E Eddy Co, NM



# Ownership List

Tract	Owner
Surface Owner Section 32	State of New Mexico
NW Section 32	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
NE Section 32 surface to base of Delaware	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
	Lime Rock Resources 1111 Bagby Street, Suite 4600 Houston, TX 77002
NE Section 32 below base of Delaware	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
	Devon Energy Production 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260
SW Section 32	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
SE Section 32 surface to base of Delaware	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
	Lime Rock Resources 1111 Bagby Street, Suite 4600 Houston, TX 77002
SE Section 32 below base of Delaware	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
	Devon Energy Production 20 North Broadway Oklahoma City, OK 73102-8260
S2SE Section 29	Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc.
	Featherstone Development Corp. Big Three Energy Group Parrot Head Properties Prospector, LLC P. O. Box 429 Roswell, NM 88202-0429
N2SE Section 29 All Section 31	EOG Resources, Inc. P. O. Box 4362 Houston, TX 77210-4362
SW Section 29	XTO Energy, Inc. 810 Houston St., Suite 2000 Fort Worth, TX 73102-6298

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Ownership List

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Tract	Owner
W2, NE Section 28	Concho Oil and Gas COG Operating 550 W. Texas, Suite 100 Midland, TX 79701-4287
	Devon Energy Production 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260
All Section 33	EOG Resources, Inc. P. O. Box 4362 Houston, TX 77210-4362



# Affidavit of Publication

NO.

21814

STATE OF NEW MEXICO

County of Eddy:

Danny Scott

*Danny 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 state, and that the hereto 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

August 23, 2011

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

23rd

day of

August

2011



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

*Latisha Romine*

10th

Latisha Romine

Notary Public, Eddy County, New Mexico

# Copy of Publication:

## 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 Shocker SWD No. 1 located 990' FNL & 990' FEL, Unit A, Section 32, Township 25 South, Range 29 East of Eddy County, New Mexico, will be used for saltwater disposal. Disposal waters from the Delaware and Bone Springs Formations will be injected into the Devonian Dolomite at a depth of 15500'-15700' with a maximum pressure of 3100 psi and a maximum rate of 20,000 BWPD. All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division, 122A South Saint Francis Drive, Santa Fe, New Mexico 87505-5472, within 15 days. Additional information can be obtained by contacting Sam Brandon at (505) 748-4281.

Published in the Artesia Daily Press, Artesia, N.M., Aug. 23, 2011. Legal No. 21814.

**Jones, William V., EMNRD**

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**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, September 13, 2011 2:31 PM  
**To:** 'Sam Brandon (sbrandon@yatespetroleum.com)'  
**Cc:** Michelle Taylor; Ezeanyim, Richard, EMNRD; Gray, Darold, EMNRD; Dade, Randy, EMNRD  
**Subject:** Disposal application from Yates Petroleum Corporation: proposed Shocker SWD #1 30-015-NA Devonian from approx 15500 to 15700

Hello Sam;

Nice hearing from you again, I just got this application in and looked it over, we saw a deep Devonian SWD proposal recently in the deep Delaware basin from BOPCO recently so can't say I was totally SHOCKED, but the Devonian depth here really gets your attention!

I hope after spending that kind of money, the well comes in with some disposal capacity and hope you see something uphole from the logs. Your geologists will love it.

The only thing I see on this application is to be sure and send me proof of notice to the State Land Office as surface owner and a list of the certified receipt numbers for the other parties noticed. You can either send the certified receipts or the certified numbers listed beside each name.

For permits on proposed wells with no API number, we can release the permit, but if you move the well's location prior to drilling, please ask for an amended permit to correct the location and add the API number.

Regards,

William V Jones, P.E.  
Engineering, Oil Conservation Division  
1220 South St. Francis Drive, Santa Fe, NM 87505  
Tel 505.476.3448 ~ Fax 505.476.3462



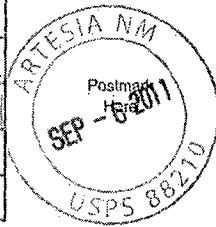
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Sent To Oil Conservation Div  
 Street, Apt. No.,  
 or PO Box No. 1220 South St. Francis Dr.  
 City, State, ZIP+4 Santa Fe, NM 87505  
 PS Form 3800, August 2006 See Reverse for Instructions

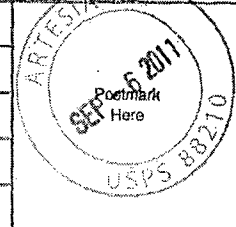
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 Street, Apt. No.,  
 or PO Box No. P.O. Box 1148  
 City, State, ZIP+4 Santa Fe NM 87504-1148  
 PS Form 3800, August 2006 See Reverse for Instructions

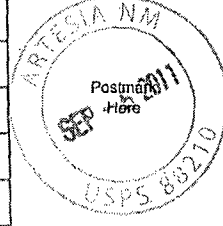
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 Street, Apt. No.,  
 or PO Box No. 811 S. First St  
 City, State, ZIP+4 Artesia NM, 88210  
 PS Form 3800, August 2006 See Reverse for Instructions

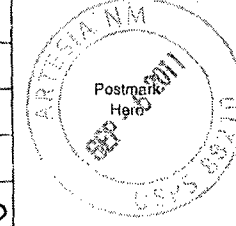
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 Street, Apt. No.,  
 or PO Box No. 550 W. Texas Suite 100  
 City, State, ZIP+4 Midland TX 79701-4287  
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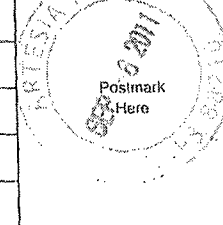
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 or PO Box No. 20 North Broadway Suite 1500  
 City, State, ZIP+4 Oklahoma City, Oklahoma 73102-8200  
 PS Form 3800, August 2006 See Reverse for Instructions

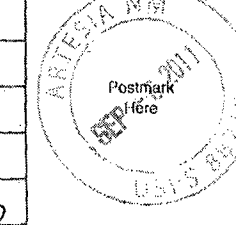
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 Street, Apt. No.,  
 or PO Box No. P.O. Box 4362  
 City, State, ZIP+4 Houston, TX 77210-4362  
 PS Form 3800, August 2006 See Reverse for Instructions

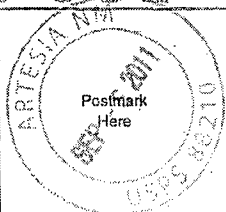
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 Street, Apt. No.,  
 or PO Box No. P.O. Box 429  
 City, State, ZIP+4 Roswell, NM 88202-0429  
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 Lime Rock Resources  
 Street, Apt. No.,  
 or PO Box No. 1111 Bagby St Suite 4600  
 City, State, ZIP+4 Houston, TX 77002  
 PS Form 3800, August 2005 See Reverse for Instructions

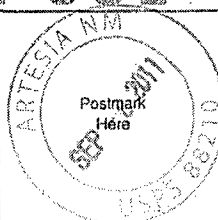
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 XTO Energy  
 Street, Apt. No.,  
 or PO Box No. 810 Houston St  
 City, State, ZIP+4 Fort Worth, TX 73102-6298  
 PS Form 3800, August 2005 See Reverse for Instructions

## Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1302 Permit Date 9/24/11 UIC Qtr (J/A/S)# Wells 1 Well Name(s): Shocker SWD #1API Num: 30-015-NA Spud Date: (New) New/Old: N (UIC primacy March 7, 1982)Footages 990 FUL/990 FEL Unit A Sec 32 Tsp 25S Rge 29E County EDDYGeneral Location: 12 mi S. of ~~town~~ 12 mi N. of State LineOperator: Yates Petroleum Corporation Contact Sam BrandonOGRID: 255T RULE 5.9 Compliance (Wells) 5/23/13 (Finan Assur) OK IS 5.9 OK? OKWell File Reviewed none Current Status: ✓Planned Work to Well: Drill to INT.

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

## Well Details:

	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Surface	24 20	330		360 SK	surf
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Intern	17 1/2 13 3/8	2300		3000 SK	surf
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> LongSt	12 1/4 9 5/8	11,100		1800 SK	1800' or 2600'
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Liner	8 1/2 7"	10800' - 15500'		700	Top of Liner
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> OpenHole	5 7/8	15500' - 15700'			

## Depths/Formations:

	Depths, Ft.	Formation	Tops?
Formation(s) Above	15320	DEV	✓
Injection TOP	15500'	Dev	Max. PSI 3100 OpenHole ✓ Perfs
Injection BOTTOM	15700'		Tubing Size 3 1/2 Packer Depth 15450'
Formation(s) Below			

Capitan Reef? (Basal?) Noticed? (WIPP?) Noticed? Salado Top/Bot ?-? Cliff House?

Fresh Water: Depths: >350' Formation Red Balcon wells? 1 Analysis? ✓ Affirmative Statement ✓Disposal Fluid Analysis? Sources: Bone Springs / Del (Brady C.)

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date 8/23/11 Surface Owner SLO Mineral Owner(s)RULE 26.7(A) Affected Persons: COG/EOG/etc See applicatiAOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Wellbore Diagrams?.....Active Wells 0 Repairs? Which Wells?.....P&A Wells ① Repairs? Which Wells?Issues: ✓ Request Sent Reply: