ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST 30-025-18237

7	THIS CHECKLIST IS N	IANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	REGULATIONS
Applic	ation Acronyms		
	[DHC-Dow	dard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedicate Inhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Comminglool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measuremen [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]	gling]
	[EOR-Qua	ulified Enhanced Oil Recovery Certification IPPR-Positive Production Respo	onse]
[1]	TYPE OF AP	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure-Increase - Enhanced Oil Recovery	PP 130504
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM	290
	[C]	☐ WFX ☐ PMX X SWD ☐ IPI ☐ EOR ☐ PPR	
	[D]	Other: Specify	664
[2]	NOTIFICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners	5220164
	[B]	X Offset Operators, Leaseholders or Surface Owner	3150131
	[C]	X Application is One Which Requires Published Legal Notice	711
	[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	r,
	[F]	Waivers are Attached	
[3]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS ON INDICATED ABOVE.	THE TYPE OF
	al is accurate an	TION: I hereby certify that the information submitted with this application for add complete to the best of my knowledge. I also understand that no action will be quired information and notifications are submitted to the Division.	
Margr	Note:	Statement must be completed by an individual with managerial and/or supervisory capacity. Area Engineer	9/21/11
	r Type Name	Signature / Title	Date
	-	<u>mhotter@yatespetroleum.com</u> e-mail Address	

MARTIN YATES, III

FRANK W. YATES

S.P. YATES 1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-21187

TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

SCOTT M. YATES

JAMES S. BROWN

DOHND. PERINI CHIEF RIVANCIAL OFFICER

September 21, 2011

State of New Mexico Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, NM 87505

Re: Allen B Fed #1 SWD

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 28 T24S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

1 4 My th

Margrethe Hotter Area Engineer

C-108 Application for Authorization to Inject Yates Petroleum Corporation Allen B Federal #1 SWD Unit G, 1980' FNL & 1980' FEL, Sec. 28, T24S, R32E Lea County, New Mexico

I. The purpose of re-entering this well is to make a disposal well for produced Bone Springs and Delaware water into the Delaware Sand formation.

Yates Petroleum Corporation plans to re-enter this well as a water disposal well into the Delaware Sand.

II. Operator:

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88210

Margrethe Hotter (575) 748-4165

III. Well Data:

See Attachment A

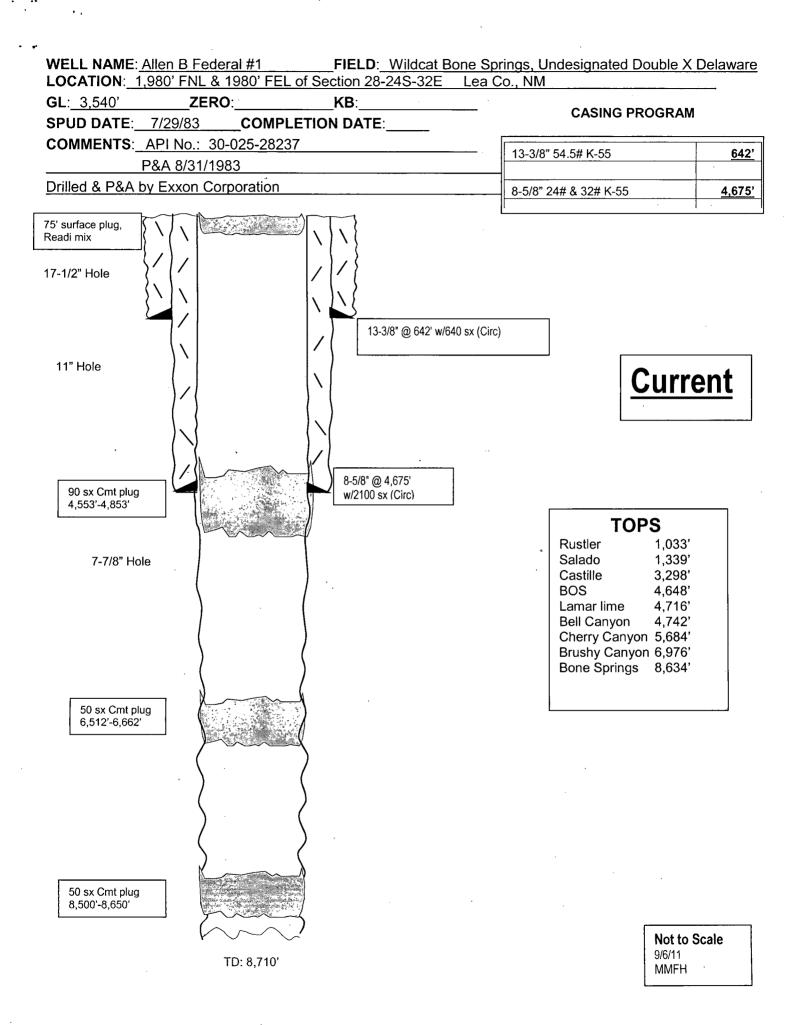
- IV. This is not an expansion of an existing project.
- V. See attached map, Attachment B.
- VI. There are no other wells within the area of review.
- VII. 1. Proposed average daily injection volume approximately 2500 BWPD. Maximum daily injection volume approximately 5000 BWPD.
 - 2. This will be a closed system.
 - 3. Proposed average injection pressure –unknown. Proposed maximum injection pressure 1150 psi.
 - 4. Sources of injected water would be produced water from the Delaware and Bone Springs. (Attachment D)
- VIII. 1. The proposed injection interval is the portion of the Delaware Sand formation consisting of porous Sandstone from 5,220'-6,460.

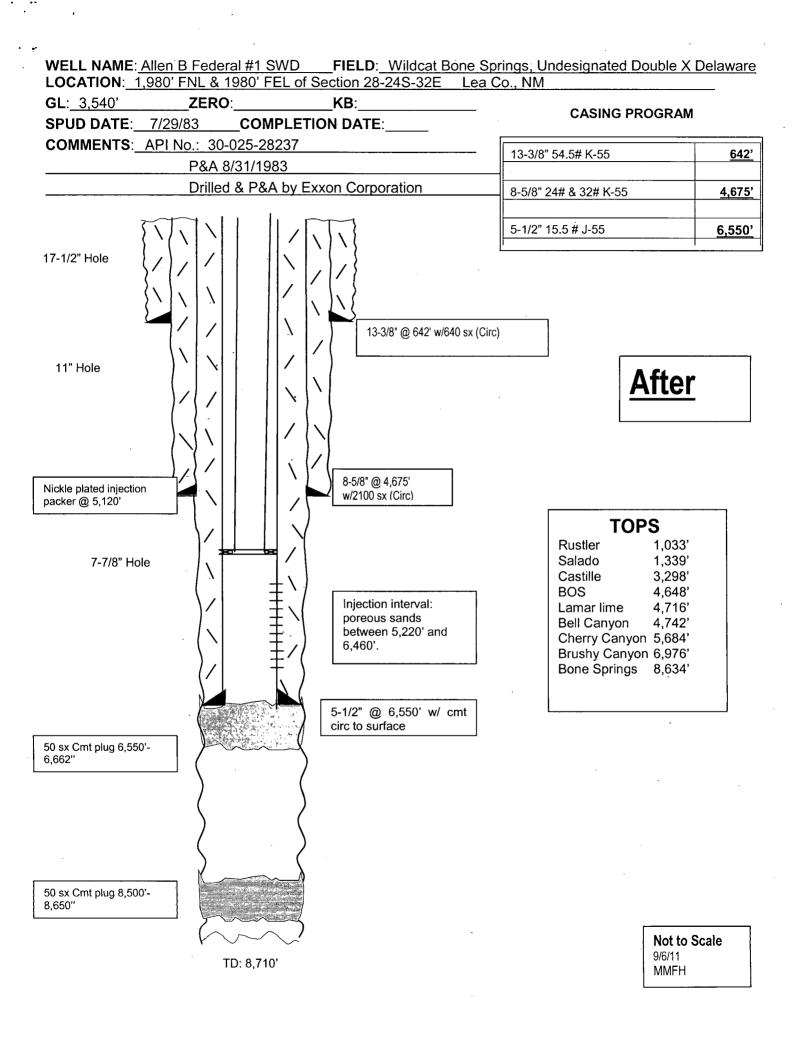
- 2. Possible Fresh water zones overlie the proposed injection formations at depths to approximately 600' or less. There are no fresh water zones underlying the formation.
- IX. The proposed disposal interval may be acidized with 7-1/2% HCL acid, or proppant fractured.
- X. Logs were filed at your office when the well was drilled.
- XI. There are no windmills or water wells within a one-mile radius of the subject location.
- XII. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval. (Attachment G)
- XIII. Proof of notice.
 - Α. Certified letters sent to the surface owner and offset operators attached (Attachment E)
 - Copy of legal advertisement attached. В. (Attachment F)
- Certification is signed. XIV.

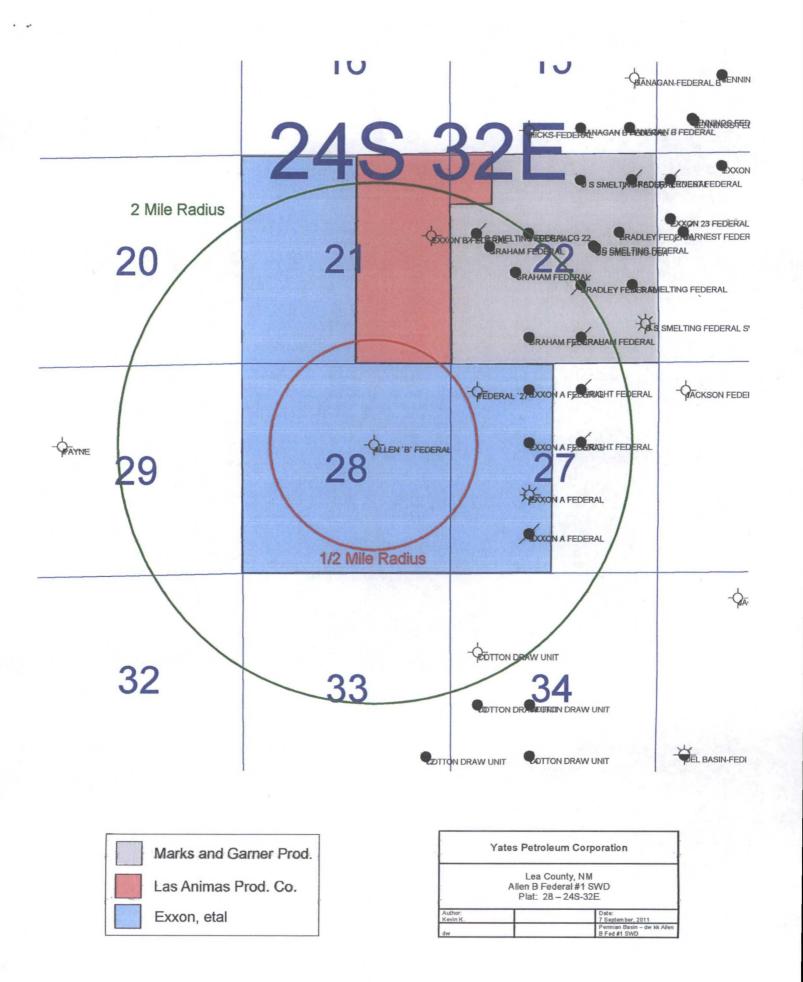
Yates Petroleum Corporation Allen B Fed #1 SWD G-28-T24S-R32E Lea County, New Mexico

Attachment A

- III. Well Data
- A. 1. Lease Name/Location
 Allen B Fed #1 SWD
 (Prev. Allen B Fed #1)
 G-28-T24S-R32E
 1980' FNL & 1980' FEL
 API: 30-025-28237
 - 2. Casing Strings:
 - a. Present well condition
 13 3/8", 54.5# K-55 @ 642' w/640 sx (circ)
 8 5/8", 24# & 32# K-55 @ 4,675' w/2100 sx (circ).
 Cement plugs:
 8500'-8650' (50 sxs)
 6512'-6662' (50 sxs)
 4553-4853' (90 sxs)
 75' to surface, RediMix
 - Present Status:
 P&A. Spudded by Exxon Corporation in July 1983, and plugged by Exxon Corporation in August 1983.
 - 3. Proposed well condition:
 13 3/8" and 8 5/8" casings same as above.
 Set 15.5# J-55 casing @ 6,550' and circ cement to surface.
 Perforate porous sands between 5220'-6460'
 3 ½" 9.3 J55 or 2-7/8" 6.5 J55 plastic-coated injection tubing @ 5,120'
 - 4. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 5,120'.
- B. 1. Injection Formation: Delaware Sands
 - 2. Injection Interval will be through perforations from approximately 5,220'-6460' gross interval.
 - 3. Well was originally drilled as a Bone Springs and Delaware oil well. Well will be a Delaware water disposal well when work is completed.
 - 4. Perforations: High porosity sands between 5220'-6460'.
 - 5. Next higher (shallower) oil or gas zone within 2 miles- Bell Canyon. Next lower (deeper) oil or gas zone within 2 miles- Brushy Canyon







ate Lse. He.	```	O OIL CONSER ON AND ACRE	•		AT	From C-102 Supervedes C-128
Heral Lee, to.						Effective 1-1-65
Operator Exxon Corporation	YII drives W	Legge	Ilen Each	the Section.	4	Well No.
Unit Letter Section	Township	Rong	•	County	7,5	
G 28 Actual Footage Location of Wells	24 5		32 E	Lea		· · · · · · · · · · · · · · · · · · ·
1980 feet from the		1980	(so)	t from the	East	line
Ground Level Elev: Producing in 3540' Bone	Spring	Pool	ldcat		D	edicated Acreage:
1. Outline the acreage dedi	<u> </u>			r hachure	marks on the	· · · · · · · · · · · · · · · · · · ·
2. If more than one lease interest and royalty). 3. If more than one lease of dated by communitization.	different ownersh	ip is dedicated			-	-
Yes No If If answer is "no," list the this form if necessary.) No allowable will be assisted.	gned to the well un	t descriptions v	vhich have ac	onsolidate	ed (by commu	nitization, unitization,
0 !	C	8	 	٨		ERTIFICATION
	. ,	,086/			tained herein	ify that the information con- is true and complete to the nowledge and belief.
Ε	F	G VI	/980'	Н	Company Ex: Box 1600 Mi	THEAD TO Corporation Idland, Texas
H	K				I hereby can show an italian mater and supplies true and knewledge an Date Surveyed Registered Professional or Land Surveyed Cartificate No.	price of the symple location of the RICH of the symple location of the RICH of the symple of the arms of the symple of the sympl
0 330 660 190 1220 1630 1	JAL	2000 1 200	1000 50	o. o	V	6157 WA-8096

NEW MEXICO OIL CONSERVATION COMMISSION

Water Analysis Report by Baker Petrolite

\$90.00

Company: YATES PETROLEUM INC Sales RDT: 33514.1

Region: PERMIAN BASIN Account Manager: TONY HERNANDEZ (575) 910-7135

Area: ARTESIA, NM Sample #: 561768

Lease/Platform: CHEVRON DOT Analysis ID #: 112209

Entity (or well #): 1 H Analysis Cost:

Formation: UNKNOWN

Sample Point: WELLHEAD

Summary		Ar	alysis of Sa	mple 561768 @ 75	F	
Sampling Date: 09/02	11 Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date: 09/13	Cilionae.	77585.0	2188.39	Sodium:	48953.6	2129.36
Analyst: SANDRA GOM	EZ Bicarbonate:	1049.0	17.19	Magnesium:	201.0	16.54
TDS (mg/l or g/m3): 13077-	Carbonate:	0.0	0.	Calcium:	1177.0	58.73
	l Sulfate:	973.0	20.26	Strontium:	166.0	3.79
Density (g/cm3, tonne/m3): 1.0 Anion/Cation Ratio:	Phosphate:			Barium:	0.5	0.01
Alion/Cation Ratio:	Borate:			Iron:	27.0	0.98
	Silicate:			Potassium:	642.0	16.42
				Aluminum:		
Carbon Dioxide: 180 PPM	Hydrogen Sulfide:		0 PPM	Chromium:		
Oxygen:	nH at time of compline	~.	6.6	Copper:		
Comments:	pH at time of sampling	-	0.0	Lead:		
DESISTIVITY O OS OLIM M @ 759	pH at time of analysis	:		Manganese:	0.6	0.02
RESISTIVITY 0.06 OHM-M @ 75F	pH used in Calculation	on:	6.6	Nickel:		

Condi	tions		Values C	alculated	at the Give	n Conditi	ons - Amo	unts of Sc	ale in lb/10	00 bbl		
Ilama	· Press.		- 31			Anhydrite CaSO4		Celestite SrSO4		Barite BaSO4		
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.43	58.24	-0.90	0.00	-0.90	0.00	0.00	0.00	0.59	0.31	2.11
100	0	0.52	72.41	-0.97	0.00	-0.91	0.00	-0.03	0.00	0.39	0.31	2.67
120	0	0.61	87.20	-1.02	0.00	-0.88	0.00	-0.05	0.00	0.21	0.00	3.28
140	0	0.70	102.61	-1.07	0.00	-0.84	0.00	-0.05	0.00	0.06	0.00	3.94

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.

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 #:

561784

Lease/Platform:

BE BOP BPE STATE COM

Analysis ID #:

112531

Entity (or well #):

Analysis Cost:

\$90.00

Formation:

UNKNOWN

Sample Point:

FWKO

Summary		An	alysis of Sa	mple 561784 @ 75	F	
Sampling Date: 09/09/11	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date: 09/21/11 Analyst: SANDRA GOMEZ TDS (mg/l or g/m3): 109484.9 Density (g/cm3, tonne/m3): 1.073 Anion/Cation Ratio: 1	Chloride: Bicarbonate: Carbonate: Sulfate: Phosphate: Borate:	63081.0 2318.0 0.0 1587.0	1779.29 37.99 0. 33.04	Sodium: Magnesium: Calcium: Strontium: Barium:	40586.3 193.0 1031.0 87.0 0.4 21.0	1765.4 15.88 51.45 1.99 0.01 0.76
Carbon Dioxide: 550 PPM Oxygen: Comments: RESISTIVITY 0.075 OHM-M @ 75F	Silicate: Hydrogen Sulfide: pH at time of sampling: pH at time of analysis: pH used in Calculation	ı:	0 PPM 7	Potassium: Aluminum: Chromium: Copper: Lead: Manganese: Nickel:	580.0 0.2	0.01

Condi	itions		Values C	alculated	at the Give	n Conditi	ons - Amoi	unts of Sc	ale in lb/10	00 bbl		
Temp	Gauge Press.		30.11			estite SO4	-	rite SO4	CO2 Press			
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
. 80	0	1.07	237.63	-0.72	0.00	-0.74	0.00	-0.02	0.00	0.76	0.31	1.91
100	0	1.14	262.81	-0.78	0.00	-0.73	0.00	-0.04	0.00	0.56	0.31	2.56
120	0	1.20	289.25	-0.83	0.00	-0.70	0.00	-0.06	0.00	0.39	0.00	3.37
140	0	1.26	316.32	-0.87	0.00	-0.65	0.00	-0.06	0.00	0.25	0.00	4.38

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.

(432) 495-7240

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 #:

561785

Lease/Platform:

FARBER 'BOB' FEDERAL

Analysis ID #:

112532

Entity (or well #):

1 H

Analysis Cost:

\$90.00

Formation:

UNKNOWN

Sample Point:

WATER TANK

Summary	Analysis of Sample 561785 @ 75 ℉								
Sampling Date: 09/09/11	Anions	mg/l	meq/l	Cations	mg/l	meq/i			
Analysis Date: 09/21/11	Chloride:	100163.0	2825.23	Sodium:	62777.3	2730.66			
Analyst: SANDRA GOMEZ	Bicarbonate:	732.0	12.	Magnesium:	477.0	39.24			
TDS (mg/l or g/m3): 169505.2	Carbonate:	0.0	0.	Calcium:	1914.0	95.51			
· · · · · · · · · · · · · · · · · · ·	Sulfate:	2501.0	52.07	Strontium:	97.0	2.21			
Density (g/cm3, tonne/m3): 1.113 Anion/Cation Ratio: 1	Phosphate:	*		Barium:	0.2	0.			
Anion/Cation Ratio:	Borate:			Iron:	9.0	0.33			
ì	Silicate:		1	Potassium:	834.0	21.33			
				Aluminum:					
Carbon Dioxide: 400 PPM	Hydrogen Sulfide:		0 РРМ	Chromium:					
Oxygen:	all at time of a susuition.		6.5	Copper:					
Comments:	pH at time of sampling:		6.5	Lead:	•				
	pH at time of analysis:			Manganese:	0.7	0.03			
RESISTIVITY 0.052 OHM-M @ 75F	pH used in Calculation	n:	6.5	Nickel:					

Cond	itions		Values C	alculated	at the Give	n Conditi	ons - Amoi	unts of Sc	ale in lb/10	00 bbl		
Tama	Gauge Press.		alcite aCO3	Gypsum CaSO4*2H20			ydrite aSO4		estite SO4	Barite BaSO4		CO2 Press
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.41	40.41	-0.34	0.00	-0.32	0.00	0.06	8.02	0.49	0.00	1.78
100	0	0.50	49.92	-0.41	0.00	-0.33	0.00	0.03	4.16	0.28	0.00	2.21
120	0	0.58	59.72	-0.48	0.00	-0.32	0.00	0.01	1.49	0.10	0.00	2.67
140	0	0.67	69.82	-0.53	0.00	-0.28	0.00	0.00	0.30	-0.05	0.00	3.16

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.

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 #:

561782

Lease/Platform:

PRESEDENTE BPO STATE

Analysis ID #:

112533

UNKNOWN

Analysis Cost:

\$90.00

Entity (or well #):

Formation:

Sample Point: **HEATER TREATER**

Summary	•	An	mple 561782 @ 75	Ŧ		
Sampling Date: 09/09/11	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date: 09/21/11	Chloride:	105349.0	2971.51	Sodium:	63429.1	2759.01
Analyst: SANDRA GOMEZ	Bicarbonate:	1220.0	19.99	Magnesium:	736.0	60.55
TDS (mm) = mm/m2) 476724.4	Carbonate:	0.0	0.	Calcium:	3390.0	169.16
TDS (mg/l or g/m3): 176734.1	Sulfate:	1367.0	28.46	Strontium:	247.0	5.64
Density (g/cm3, tonne/m3): 1.118 Anion/Cation Ratio: 1	Phosphate:			Barium:	0.7	0.01
Anion/Cation Ratio:	Borate:		ļ	Iron:	14.0	0.51
	Silicate:			Potassium:	981.0	25.09
				Aluminum:		
Carbon Dioxide: 600 PPM	Hydrogen Sulfide:		0 PPM	Chromium:		
Oxygen:	pH at time of sampling:		6.5	Copper:		
Comments:			0.5	Lead:		
RESISTIVITY 0.048 OHM-M @ 75F	pH at time of analysis:			Manganese:	0.3	0.01
NESISTIVITY 0.040 OF INFIN @ 75F	pH used in Calculation	n:	6.5	Nickel:		

Cond	tions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl											
Temp	Gauge Press. psi	0-000			ydrite aSO4		estite SO4	Barite BaSO4		CO2 Press				
F		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi		
80	0	0.88	139.88	-0.37	0.00	-0.35	0.00	0.18	48.40	0.74	0.30	2.86		
100	0	0.96	152.86	- 0.45	0.00	-0.36	0.00	0.15	41.61	0.54	0.30	3.55		
120	0	1.04	166.14	-0.51	0.00	-0.35	0.00	0.13	37.48	0.36	0.30	4.28		
140	0	1.12	179.72	-0.57	0.00	-0.31	0.00	0.13	35.41	0.20	0.00	5.06		

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.

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 #:

561787

Lease/Platform:

QUITOTE BQJ STATE COM

Analysis ID #:

112534

Entity (or well #):

1 H

Analysis Cost:

\$90.00

Formation:

UNKNOWN

Sample Point:

FWKO

meq/l 45.81 1. 0. 5.16	Cations Sodium: Magnesium: Calcium: Strontium: Barium: Iron:	mg/l 80707.5 3713.0 23375.0 1190.0 6.5 20.0	meq/i 3510.58 305.45 1166.42 27.16 0.09 0.72
1. 0.	Magnesium: Calcium: Strontium: Barium: Iron:	3713.0 23375.0 1190.0 6.5	305.45 1166.42 27.16 0.09
0.	Calcium: Strontium: Barium: Iron:	23375.0 1190.0 6.5	1166.42 27.16 0.09
	Strontium: Barium: Iron:	1190.0 6.5	27.16 0.09
5.16	Barium: Iron:	6.5	0.09
	Iron:	-	
		20.0	0.72
	5		
	Potassium:	1615.0	41.3
ľ	Aluminum:		
PPM	Chromium:		
6.5	Copper:		
0.5	Lead:		
	Manganese:	7.0	0.25
6.5	Nickel:		
	6.5 6.5	Lead: Manganese:	6.5 Lead: Manganese: 7.0

Condi	tions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl											
Temp	Gauge Press.		alcite aCO3		sum 4*2H20		ydrite aSO4		estite SO4		rite SO4	CO2 Press		
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi		
80	0	0.45	2.38	-0.38	0.00	-0.31	0.00	-0.17	0.00	0.65	2.65	0.09		
100	0	0.51	2.91	-0.46	0.00	-0.33	0.00	-0.20	0.00	0.46	2.12	0.11		
120	0	0.56	3.18	-0.54	0.00	-0.33	0.00	-0.21	0.00	0.29	1.59	0.14		
140	0	0.61	3.71	-0.60	0.00	-0.30	0.00	-0.20	0.00	0.14	0.79	0.16		

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.

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 #:

561786

Lease/Platform:

RENEGADE BPG FEDERAL

Analysis ID #:

112535

Entity (or well #):

Analysis Cost:

\$90.00

Formation:

UNKNOWN

Sample Point:

FWKO

Summary	Analysis of Sample 561786 @ 75 F							
Sampling Date: 09/09/11	Anions	mg/l	meq/I	Cations	mg/l	meq/l		
Analysis Date: 09/21/11 Analyst: SANDRA GOMEZ	Chloride: 1 Bicarbonate:	156230.0 122.0	4406.68 2.	Sodium: Magnesium:	77861.6 2676.0	3386.79 220.14		
TDS (mg/l or g/m3): 254753.1 Density (g/cm3, tonne/m3): 1.166 Anion/Cation Ratio: 1	Carbonate: Sulfate: Phosphate: Borate: Silicate:	0. 12.85	Calcium: Strontium: Barium: Iron: Potassium: Aluminum:	15436.0 772.0 2.0 14.0 1019.0	770.26 17.62 0.03 0.51 26.06			
Carbon Dioxide: 300 PPM Oxygen: Comments:	Hydrogen Sulfide: pH at time of sampling: pH at time of analysis: pH used in Calculation:		0 PPM 6	Chromium: Copper: Lead: Manganese: Nickel:	3.5	0.13		

Cond	tions	Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
	Gauge Press. psi	Calcite CaCO3		Gypsum CaSO4*2H20		Anhydrite CaSO4		Celestite SrSO4		Barite BaSO4		CO2 Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.07	1.37	-0.14	0.00	-0.09	0.00	0.11	50.40	0.63	0.82	0.69
, 100	0	0.15	3.01	-0.23	0.00	-0.11	0.00	0.09	39.99	0.43	0.55	0.82
120	0	0.23	4.38	-0.30	0.00	-0.10	0.00	0.08	35.34	0.25	0.55	0.94
140	0	0.31	6.03	-0.36	0.00	-0.07	0.00	0.08	35.61	0.10	0.27	1.06

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.

Attachment E

Certified Notification letters sent to:

1. Surface owner:

Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220

2. Operators within ½ mile radius:

Las Animas Production Co 1031 Andrew Hwy 209 Midland, TX 79401

Exxon Mobil Oil Corp P.O. Box 4358 Houston, TX 77210-4358

Burlington Mobil Oil Corp P.O. Box 51810 Houston, TX 79710-1810

EOG Resources Inc P.O. Box 4362 Houston, TX 77210-4362

OXY USA Inc P.O. Box 27570 Houston, TX 77227-7570 MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

> 5.P. YATES 1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

SCOTT M. YATES

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

September 21, 2011

Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220

Re: Allen B Federal #1 SWD

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 28 T24S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Margrethe Hotter

Area Engineer



MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

> S.P. YATES 1914-2008



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ARTESIA, NEW MEXICO 88210-2118
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Sincerely,

Margrethe Hotter Area Engineer



MARTIN YATES, III

FRANK W. YATES 1936-1986

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JOHN A. YATES JR. PRESIDENT

SCOTT M. YATES

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

September 21, 2011

Burlington Res Oil and Gas P.O. Box 51810 Houston, TX 79710-1810

Re: Allen B Federal #1 SWD

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Singerely,

Margrethe Hotter

Area Engineer



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FRANK W. YATES 1936-1986

> S.P. YATES 1914-2008



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 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

September 21, 2011

Exxon Mobil Oil Corp P.O. Box 4358 Houston, TX 77210-4358

Re: Allen B Federal #1 SWD

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 28 T24S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Margrethe Hotter Area Engineer



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> S.P. YATES 1914-2008



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PRESIDENT

SCOTT M. YATES VICE PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

September 21, 2011

OXY USA, Inc. P.O. Box 27570 Houston, TX 77227-7570

Re: Allen B Federal #1 SWD

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 28 T24S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Singerely

Margrethe Hotter Area Engineer



MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

S.P. YATES



105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR. PRESIDENT

SCOTT M. YATES
VICE PRESIDENT

JAMES S. BROWN

JOHN D. PERINI CHIEF FINANCIAL OFFICER

September 21, 2011

EOG Resources Inc P.O. Box 4362 Houston, TX 77210-4362

Re: Allen B Federal #1 SWD

Dear Sirs:

Enclosed please find copies of form C-108 (Application for Authority to Inject) on said well located in Section 28 T24S, R32E of Lea County, New Mexico.

If you have any questions or need additional information, please call me at (575) 748-4165.

Sincerely

Margrethe Hotter Area Engineer



Affidavit of Publication

State of New Mexico, County of Lea.

> I, JUDY HANNA PUBLISHER

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).

Beginning with the issue dated
September 25, 2011

and ending with the issue dated
September 25, 2011

PUBLISHER

Sworn and subscribed to before me

this 30th day of September, 2011

Notary Public

(Seal)

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL

LEGAL

Legal Notice SEPTEMBER 25, 2011

Yates Retroleum 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 Allen B Fed #1 SWD, located 1980 FNL & 1980 FEL, Unit G, Section 28, Township 24 South, Range 32 East of Lea County, New Mexico, will be used for saltwater disposal. Produced waters from the Bone Springs and Delaware will be re-injected into the Delaware Sand at a depth of 5,220 6460 with a maximum pressure of 1150psi and a maximum rate of 5000 BWPD.

All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division; 1220 South Saint Francis Drive, Santa Fe, New Mexico-87505-5472, within 15 days. Additional information can be obtained by contacting Margrethe Hotter at (575) 748-4165.

01101029

00080271

ATTN: MARGRETHE F. HOTTER YATES PETROLEUM CORPORATION P.O. BOX 97 ARTESIA, NM 88210

Attachment G

C-108 Application for Authorization to Inject Yates Petroleum Corporation Allen B Fed #1 SWD

> Unit G, Section 28-T24S-R32E Lea 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.

Sterling Fly Geologist

Yates Petroleum Corporation

Date

Jones, William V., EMNRD

From: Sent: Ingram, Wesley W [wingram@blm.gov] Saturday, October 01, 2011 12:16 PM

To:

Jones, William V., EMNRD

Subject: Attachments:

Yates Petroleum - Allen B Federal 1 SWD Allen B Fed 1 SWD Yates 100111.docx

Will,

I am attaching another review. This one is for the Allen B Fed 1 SWD. The BLM will not object to this one, but I have included some points that we will be watching.

Sincerely, Wesley W. Ingram Supervisory Petroleum Engineer Carlsbad Field Office 620 E. Greene Street Carlsbad, NM 88220 575-234-5982

Allen B Fed 1 SWD (30-025-28237) October 1, 2011

Although the BLM will not object to the conversion of this plugged well to an SWD well, we do have the following comments.

- 1. The surface casing may not cover all of the surface water and would not have been set in a competent bed as the first competent bed is the Rustler. However, the proposal to install another casing and cement to surface should provide adequate protection.
- 2. Proposed perforations include part of the Bell Canyon, which the operator lists as the next higher producing zone. As a result, the injection zone may need to be modified to be for the Cherry Canyon only.
- 3. Operator will be required to verify no production in paying quantities from the injection zone.
- 4. Proposed casing setting depth will reduce the plug from 6,512' 6,662' below BLM minimum for that depth. Plug should be 165' in length. The plug does gain the shoe cement volume, which should put it back to essentially the approved plug thickness.
- 5. The BLM will not approve a proppant frac unless operator can verify that injection fluids will not migrate from approved injection interval if the application is approved.

WWI 100111

Jones, William V., EMNRD

From: Margrethe Hotter [Margreth@yatespetroleum.com]

Sent: Thursday, October 27, 2011 12:25 PM

To: Jones, William V., EMNRD

Subject: RE: Disposal application from Yates Petroleum Corporation: Allen B Federal SWD #1

30-025-28237 Delaware approx 5220 to 6460 feet

Attachments: Allen B Fed #1_SWD_AFTER.doc

Hello.

The formation tops should be on the wellbore sketch I submitted. I have attached the wellbore sketch to the email.

We do not plan any production testing for this well. The re-entry will be for injection only. There are no production from the zone we are planning to inject into in this area, neither in the immediate area nor the townships around. There are some old, minor production with high water cut in the upper Bell Canyon (above the proposed injection interval) the next productive interval is the Brushy Canyon as we identified in the Haracz wells west of this well and the Bone Springs, currently mostly the Avalon Shale. This well was drilled and abandoned, nothing found worthy of testing from Bell Canyon down to the Bone Springs. The closest wells to the Allen B Fed #1 and in between this well and the producing wells are dry holes as well, drilled through the Bell Canyon zone and non productive.

There are two injection wells to the east, the Exxon A Fed #2 and US Smelting Fed #5, both injecting into perfs in the Bell Canyon interval that is/was produced in their surrounding wells. The recent Turquoise SWD well just west of this well in section 30 (SWD order 1203) were approved to injection into the exactly same sands that we are proposing to inject into.

Regards, Margrethe Hotter

----Original Message----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

Sent: Wednesday, October 26, 2011 6:35 PM

To: Margrethe Hotter

Cc: Ezeanyim, Richard, EMNRD; Wesley Ingram@blm.gov; Gonzales, Elidio L, EMNRD

Subject: Disposal application from Yates Petroleum Corporation: Allen B Federal SWD #1 30-025-28237

Delaware approx 5220 to 6460 feet

Hello Margrethe,

Would you please ask a geologist to pick tops of:

- a. Delaware or Bell Canyon
- b. Cherry Canyon if possible
- c. Brushy Canyon if possible
- d. Bone Spring

What sort of production testing would be done over the proposed disposal interval? ... Would you send a brief log analysis of this interval showing ave Por and Sw — or something equivalent?

Thank You,

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

Injection Permit Checklist (1475/2010)
WFX PMX SWD SWD Permit Date 11311 UIC Otr D
Wells Well Name(s): ALLEN B ED #1
API Num: 30-015-28237 Spud Date: 7/29/83 New/Old: (UIC primacy March 7, 1982)
Footages [980 FNL/FELUnit G Sec 28 Tsp 245 Rge 32 ECounty Lea
General Location: 10 ME SEOF WIPP
Operator: Y Las Patra Corportion Contact Morgrathe F. HOTER
OGRID: 45575 RULE 5.9 Compliance (Wells) 3/2362 (Finan Assur) 656 IS 5.9 OK? 10 F
Well File Reviewed Current Status DE A B.S. Tost
Planned Work to Well: Retirent Run CSE/CMT/ Port/ DISPOSE
Diagrams: Before Conversion
Well Details: HolePipe Depths Tool Sx or Cf Method
New_Existing_Surface 1742 1378 642 640 CIRC
New_Existing_Interm / 878 4675 2100 CIRC
New Existing Longst 7 8 5/2 6550 , Plan TO CIRC
New_Existing _ Liner
New_Existing _ OpenHole
Depths/Formations: Depths, Ft. Formation Tops2
Formation(s) Above
approx 5220 P.Q. Max. PSI 1044 OpenHole Perfs V
Injection BOTTOM: 6460 Del Tubing Size 3/2 Packer Depth 5120
Formation(s) Below
Gapitan Reef? (Potash? Noticed?) [WIPP? Noticed?] Salado Top/Bot (Cliff House?
Fresh Water: Depths: 600 Formation Wells? Wells? Analysis? Affirmative Statement
Disposal Fluid Analysis? Sources: BS/DEL
Disposal Interval: Analysis? Production Potential/Testing:
of the prima
Notice: Newspaper Date 9729 Surface Owner DLV Mineral Owner(s)
RULE 26.7(A) Affected Persons:
AOR: Maps? Well List Producing in Interval? Wellbore Diagrams?
Active Wells Repairs? WhichWells?
P&A Wells Repairs? Which Wells?
Issues: Request Sent Reply:

5 22 1