

DATE IN 9/29/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 9/30/08	TYPE SWD 1151	APP NO. PKVR0827432367
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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



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

Signature *Sam Brandon*

Area Engineer

9/18/08

Print or Type Name

Signature

Title

Date

sbrandon@ypcnm.com
 e-mail Address

RECEIVED
 2008 SEP 29 PM 2 51

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

September 25, 2008

New Mexico Energy & Minerals Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Rebecca BJB State Com #2

Dear Mr. Jones

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation Rebecca BJB State Com #2, ~~Unit N, 6-25S-30E, Eddy County, New Mexico.~~

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosure(s)

30-025-38190

APPLICATION FOR AUTHORIZATION TO INJECT

XXXXXXXXXXXXXXXXXXXX

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR:
ADDRESS: 105 South 4th 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 re-injected 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 litho logic 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: Area Engineer
SIGNATURE: Sam Brandon DATE: 9/18/2008
- * 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

C-108 for Rebecca BJB State Com No. 2

Part III-A

Well	Location
Rebecca BJB State Com #2	800' FSL & 990' FEL Sec. 18-T12S-R32E Lea Co, NM

Casing:

Surface: 11 $\frac{3}{4}$ " 42# H40 @ 428'. Cemented to surface with 300 sx. Hole size 14 $\frac{3}{4}$ "

Intermediate: 8 $\frac{5}{8}$ " 24 & 32# J55 @ 3735'. Cement circulated to surface with 1240 sacks
Hole size: 11"

Production: 5 $\frac{1}{2}$ " 17# J55, L80 & P110 @ 11315'. Cemented with 1147 sx. TOC 1950' by CBL. Hole size: 7 $\frac{7}{8}$ ".

Proposed Tubing: 2 $\frac{7}{8}$ " 6.4# L80, internally plastic coated. Set at 10520'

Proposed packer: AS-1, nickel plated. Set at 10520'

Part III-B

Injection formation: Atoka

Injection Interval: 10576' to 10583' and 10693' to 10707'. Perforated with 6 JSPF

Well purpose: Well was drilled to explore for gas and oil. Proposed injection interval was primarily productive of water.

Other perforations: 11118-11124', 11126-32', 11135-41' - Austin Cycle. Composite BP @ 11100'
10925-28', 10947-56' - Morrow. CIBP @ 10900' + 35' of cement
10693-10707' - Atoka CIBP @ 10680' + 20' of cement
10576'-10583' - Upper Atoka. CIBP @ 10550' + 35' of cement
8566'-8580' - Abo.

Next Lower Producing Zone: Morrow - 197' lower than the proposed interval 10693-707'

Next Higher Producing Zone: Wolfcamp - 1976' higher than the proposed interval 10576-10583'

Part VI

No wells, other than the proposed SWD well, penetrate the proposed disposal zone in the area of review.

Part VII

1. Proposed average injection rate: 300 BWPD. Average volume: 300 BWPD
Maximum daily injection rate: 500 BWPD. Maximum volume: 500 BWPD
2. This will be a closed system.
3. Proposed average pressure: 600 psi. Maximum injection pressure: 2100 psi.
4. Produced water to be injected will be from Atoka and Morrow formations.
5. Well produced a slight amount of gas from the proposed injection zone.

Part IX

Well will be treated with 1000 gallons of 7 $\frac{1}{2}$ % Morrow type acid.

INJECTION WELL DATA SHEET

OPERATOR: Yates Petroleum CorporationWELL NAME & NUMBER: Rebecca BJB State Com No. 2WELL LOCATION: 800' FSL & 990' FEL P 18 12S 32E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICDATAWELL CONSTRUCTIONSurface Casing

Hole Size: 14 $\frac{3}{4}$ " Casing Size: 11 $\frac{3}{4}$ "
 Cemented with: 300 sx. *or* _____ ft³
 Top of Cement: surface Method Determined: visual

Intermediate Casing

Hole Size: 11" Casing Size: 8 $\frac{5}{8}$ "
 Cemented with: 1240 sx. *or* _____ ft³
 Top of Cement: surface Method Determined: visual

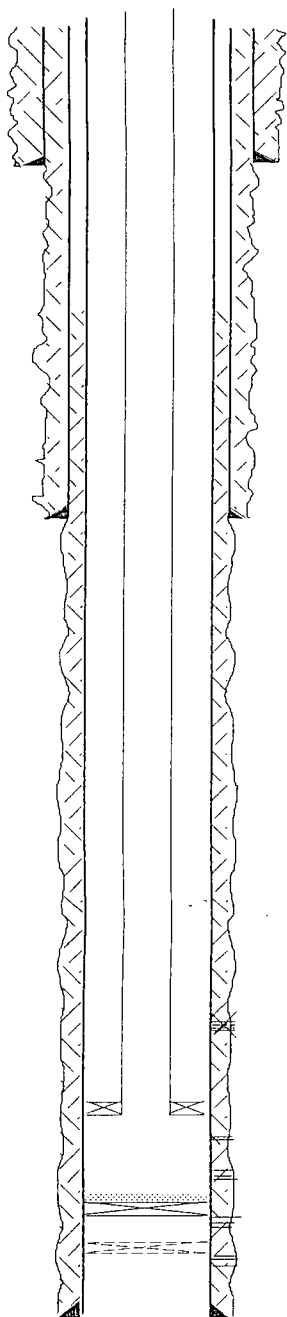
Production Casing

Hole Size: 7 $\frac{7}{8}$ " Casing Size: 5 $\frac{1}{2}$ "
 Cemented with: 1147 sx. *or* _____ ft³
 Top of Cement: 1950' Method Determined: CBL
 Total Depth: 11315'

Injection Interval

10576 feet to 10707' perforated

(Perforated or Open Hole; indicate which)



INJECTION WELL DATA SHEETTubing Size: 2 7/8" Lining Material: PlasticType of Packer: Arrow AS-1Packer Setting Depth: 10520'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

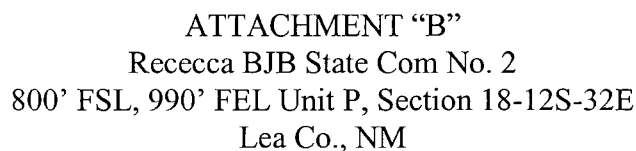
If no, for what purpose was the well originally drilled? Oil and gas exploration

2. Name of the Injection Formation: Atoka

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Austin Cycle 11118-24' 11126-32', 11135-41' Composite bridge plug @ 11100'. Abo 8566-8580' to be squeezed w/ cmt.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Morrow 197' lower Wolfcamp 1976' higher



Lea Co., NM

**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

WATER ANALYSIS REPORT

Company : YATES PETROLEUM CORP
Address :
Lease : PATSY STATE UNIT
Well : 8
Sample Pt. : UNKNOWN

Date : 9/12/08
Date Sampled : 9/12/08
Analysis No. :

ANALYSIS		mg/L	* meq/L	
-----		----	-----	
1.	pH	6.5		
2.	H ₂ S	0		
3.	Specific Gravity	1.035		
4.	Total Dissolved Solids	52826.0		
5.	Suspended Solids	NR		
6.	Dissolved Oxygen	NR		
7.	Dissolved CO ₂	NR		
8.	Oil In Water	NR		
9.	Phenolphthalein Alkalinity (CaCO ₃)			
10.	Methyl Orange Alkalinity (CaCO ₃)			
11.	Bicarbonate	HCO ₃ 549.0	HCO ₃	9.0
12.	Chloride	Cl 31524.0	Cl	889.3
13.	Sulfate	SO ₄ 575.0	SO ₄	12.0
14.	Calcium	Ca 1760.0	Ca	87.8
15.	Magnesium	Mg 632.7	Mg	52.0
16.	Sodium (calculated)	Na 17710.4	Na	770.4
17.	Iron	Fe 75.0		
18.	Barium	Ba NR		
19.	Strontium	Sr NR		
20.	Total Hardness (CaCO ₃)	7000.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	=	mg/L
-----	-----	-----	-----	-----
88 *Ca <----- *HCO ₃ 9	Ca (HCO ₃) ₂	81.0	9.0	729
----- /-----> -----	CaSO ₄	68.1	12.0	815
52 *Mg -----> *SO ₄ 12	CaCl ₂	55.5	66.9	3710
----- <-----/ -----	Mg (HCO ₃) ₂	73.2		
770 *Na -----> *Cl 889	MgSO ₄	60.2		
-----	MgCl ₂	47.6	52.0	2478
Saturation Values Dist. Water 20 C	NaHCO ₃	84.0		
CaCO ₃ 13 mg/L	Na ₂ SO ₄	71.0		
CaSO ₄ * 2H ₂ O 2090 mg/L	NaCl	58.4	770.4	45019
BaSO ₄ 2.4 mg/L				

REMARKS:

ATTACHMENT "D"

Affidavit of Publication

State of New Mexico,
County of Lea.

I, KATHI BEARDEN
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 18, 2008
and ending with the issue dated
September 18, 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before me
this 19th day of
September, 2008

[Signature]

Notary Public

My commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTEZ
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires _____

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

LEGAL
SEPTEMBER 18, 2008

Yates Petroleum Corporation, 105 South Fourth Street, Artesia, NM 88210, 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 is the Rebecca BJB State Come, No. 2, located 800 FSL & 990 FEL, Unit P, Section 18 Township 12, South Range 32 East of Lea County, New Mexico, will be used for saltwater disposal. Disposal waters from Atoka and Morrow intervals will be injected into the Atoka Sand at a depth of 10576-10707 with a maximum pressure of 12200 psi and a maximum rate of 500 BWPD.

All interested parties opposing the aforementioned must file objections or requests for hearing with Oil Conservation Division, 1220 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.

#24391

01101029

00017180

ATTN: DEBBIE CHAVEZ
YATES PETROLEUM CORPORATION
P.O. BOX 97
ARTESIA, NM 88210

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Exploration, LLC
P.O. Box 960161
Oklahoma City, OK 73196-0161

September 18, 2008

Chesapeake Exploration,
P.O. Box 960161
Oklahoma City, Oklahoma

2. Article Number
(Transfer from service label)

7007 2680 0000 5030 9159

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

WILLIS MACKAY

C. Date of Delivery

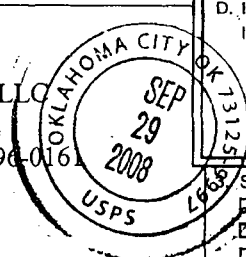
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



Dear Sirs:

Enclosed is a New Mexico OCD form C-108, Application for Authorization to Inject and supporting data for our Rebecca BJB State Com No. 2 in Section 18-12S-32E, Lea County, New Mexico. This information is being presented to you as a lease holder in the "Area of Review" around the well.

If you have any questions, please contact me.

Sincerely,

Sam Brandon

Sam Brandon
Area Engineer
Yates Petroleum Corp.
(575) 748-4281

Enclosure

RANDY G. PATTERSON
SECRETARY

DAVID LANNING
CHIEF OPERATING OFFICER

DENNIS G. KINSEY
TREASURER

U.S. Postal Service™ CERTIFIED MAIL, RETURN RECEIPT (Domestic Mail Only; No Insurance)		SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
For delivery information visit our website OFFICIAL		■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
Postage \$ Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total f	Lee Cattle Company HC 60 Box 465 Lovington, NM 88260	1. Article Addressed to: Lee Cattle Company HC 60 Box 465 Lovington, NM 88260		B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>9-26</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
Sent To HC 60 Box 465 Lovington, NM 88260 City, State <i>Rebecca #2</i>		2. Article Number (Transfer from service label) 7007 2680 0000 5030 9142		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3800, August 2006 HC 60 Box 465 Lovington, New Mexico		PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

Dear Sirs:

Enclosed is a New Mexico OCD form C-108, Application for Authorization to Inject and supporting data for our Rebecca BJB State Com No. 2 in Section 18-12S-32E, Lea County, New Mexico. This information is being presented to you as surface owner at the Rebecca BJB State Com No. 2.

If you have any questions, please contact me.

Sincerely,

Sam Brandon

Sam Brandon
 Area Engineer
 Yates Petroleum Corp.
 (575) 748-4281

Enclosure

June 19, 2008

SWD FILING FOR REBECCA BJB STATE COM # 2

Yates Petroleum is applying for a SWD permit for the Rebecca BJB State Com # 2 well, which is located in section 18 T12S R32E. This well was drilled in March and April of 2007, but has proven to be non-commercial. Yates would like to convert this well to salt water disposal, and inject into two Atoka sands from 10576-83 and 10693-707. The thicknesses of the two sands are 7' and 14', and together they produced approximately 20 barrels water per hour.

The New Mexico Office of the State Engineer water database listed two wells in offsetting sections 17 and 19. The depth to water in these two wells was 60' and 94 feet. I 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.

A handwritten signature in black ink, appearing to read 'John Amiet', written in a cursive style.

John Amiet
Geologist

ATTACHMENT "E"

Well Name: Rebecca BJB State Com #2 Field: _____

Location: 800' FSL & 990' FEL Sec. 18-12S-32E Lea Co, NM

GL: 4395' Zero: _____ AGL: _____ KB: 4415'

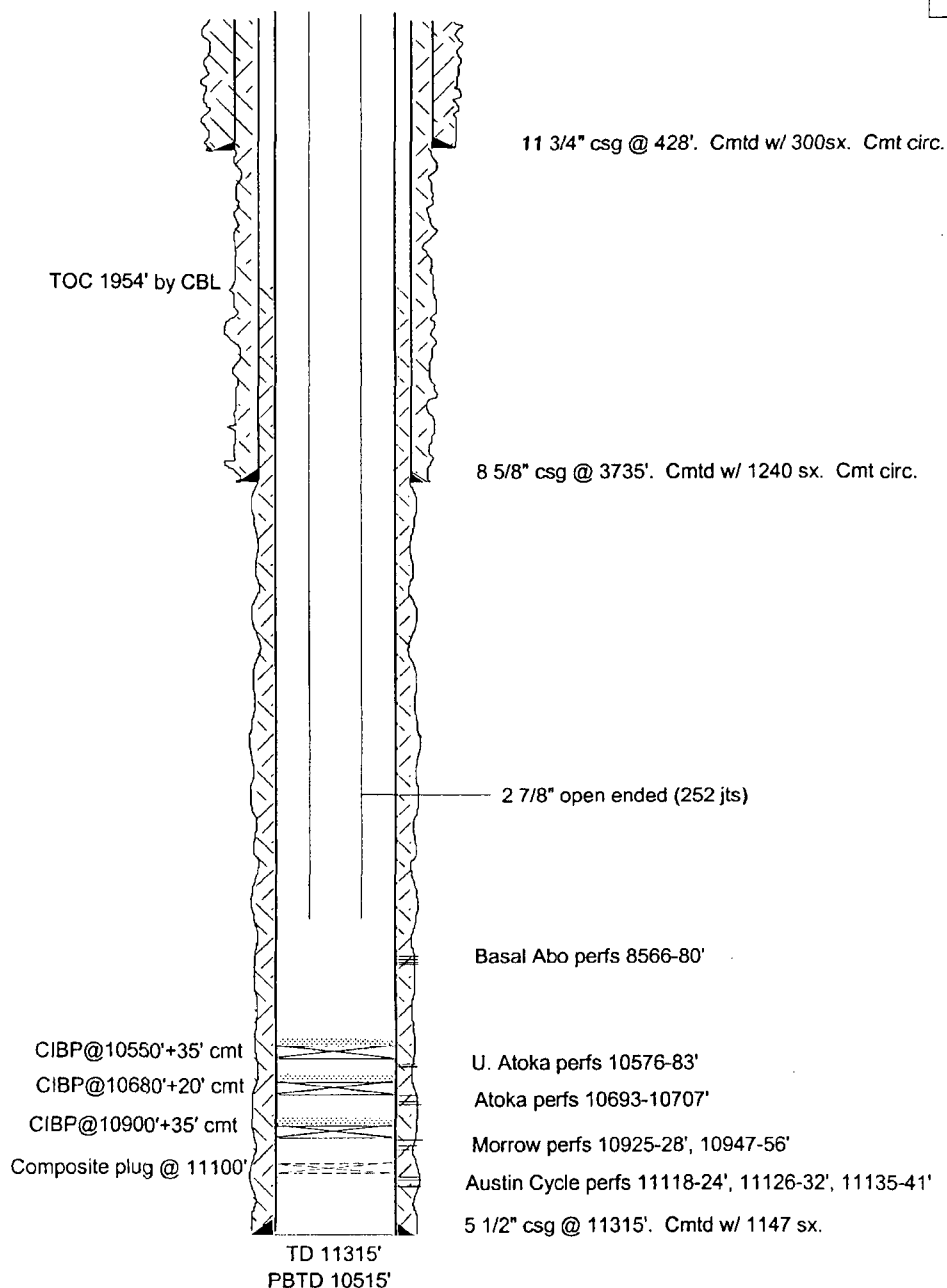
Spud Date: 3/20/07 Completion Date: _____

Comments: AFE# 07-118-0

Casing Program

Size/Wt/Grade/Conn	Depth Set
11 3/4" 42# H40	428'
8 5/8" 24 & 32# J55	3735'
5 1/2" 17# J55, L80, P110	11315'

CURRENT CONFIGURATION



SKETCH NOT TO SCALE

DATE: 9/12/07 REBECA2F

Well Name: Rebecca BJB State Com #2 Field:

Location: 800' FSL & 990' FEL Sec. 18-12S-32E Lea Co, NM

GL: 4395' Zero: AGL: KB: 4415'

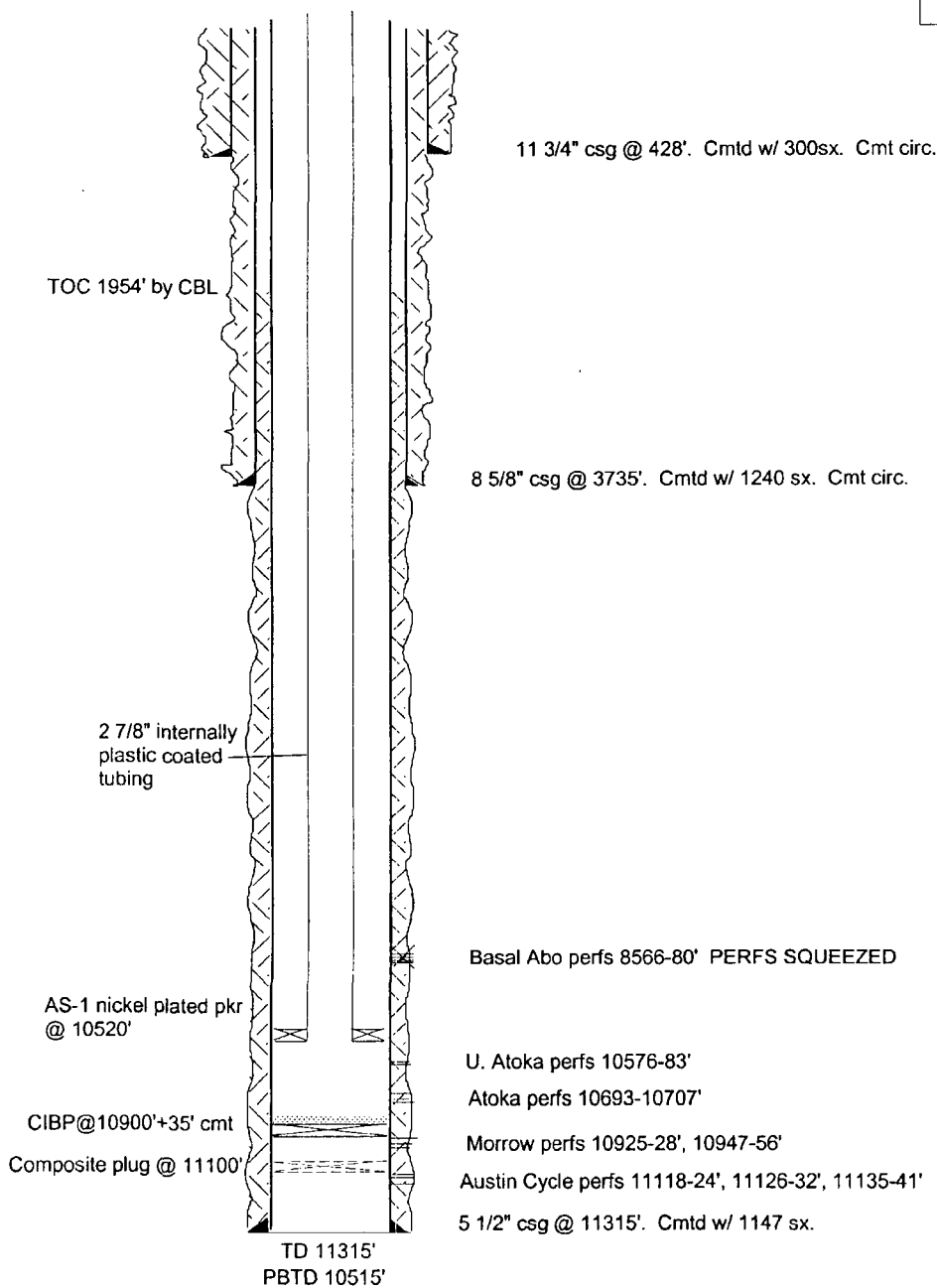
Spud Date: 3/20/07 Completion Date:

Comments: AFE# 07-118-0

Casing Program

Size/Wt/Grade/Conn	Depth Set
11 3/4" 42# H40	428'
8 5/8" 24 & 32# J55	3735'
5 1/2" 17# J55, L80, P110	11315'

PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 8/20/08 REBECA2H

COMPANY: Yates Petroleum Corporation

WELL: Rebecca BJB State Com #2

FIELD: Wildcat

County: Lea State: New Mexico

Schlumberger

Platform Express
Hi-Res Laterolog Array
Micro-CFL / HNGS

800' FSL & 990' FEL

Elev.: K.B. 4415 ft
G.L. 4395 ft
D.F. 4414 ft

Permanent Datum:

Ground Level

Elev.: 4395 ft

Log Measured From:

Kelly Bushing

20.0 ft above Perm. Datum

Drilling Measured From:

Kelly Bushing

County: Lea
Field: Wildcat
Location: 800' FSL & 990' FEL
Well: Rebecca BJB State Com #2
Company: Yates Petroleum Corporation

API Serial No. 30-025-38190 Section 18 Township 12S Range 32E

Logging Date

1-May-2007

Run Number

One

Depth Driller

11290 ft

Schlumberger Depth

11320 ft

Bottom Log Interval

11287 ft

Top Log Interval

3723 ft

Casing Driller Size @ Depth

8.625 in

Casing Schlumberger

3723 ft

Bit Size

7.875 in

Type Fluid In Hole

Brine

Density

9.8 lbm/gal

Fluid Loss

20 cm3

Source Of Sample

Circulation Tank

RM @ Measured Temperature

0.057 ohm.m

RMF @ Measured Temperature

0.051 ohm.m

RM @ Measured Temperature

Measured

Source RMF

0.028

RM @ MRT

157

Maximum Recorded Temperatures

157 degF

Circulation Stopped

30-Apr-2007

Logger On Bottom

1-May-2007

Unit Number

2357

Recorded By

Roswell

Witnessed By

John Amiet

Uranium Indicator
From CGR to SGR

Cable Tension (TENS)
(LBF)

Spectroscopy Gamma Ray (HSGR)
(GAPI)

HRMS Caliper (HCAL)
(IN)

Computed Gamma Ray (HCGR)
(GAPI)

Spectroscopy Gamma Ray on Backup

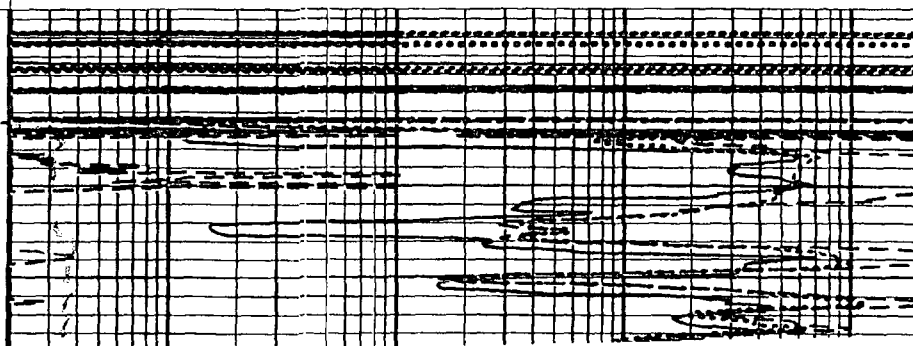
CASING

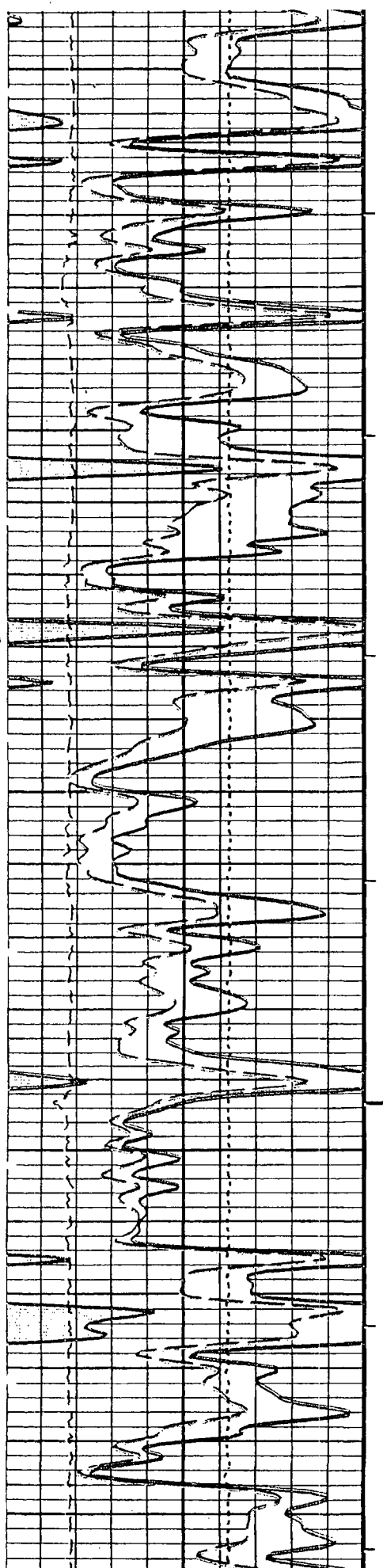
HFLT Mud Resistivity (RM HRLT)
(OHMM)

HRLT Resistivity 5 (RLA5)
(OHMM)

HRLT Resistivity 3 (RLA3)
(OHMM)

Stan Res MicroCFL Resistivity (RXOZ)
(OHMM)



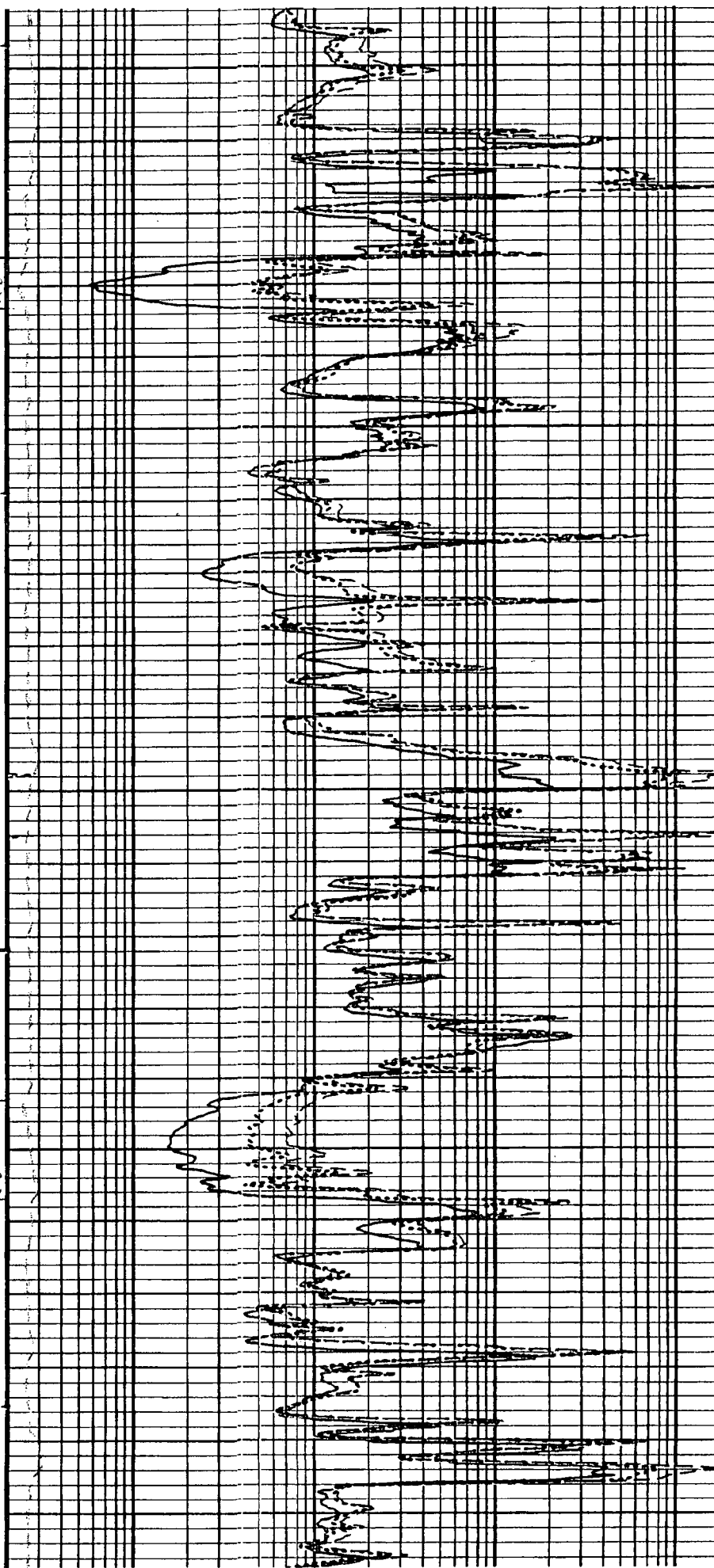


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District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 53243

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name REBECCA BJB STATE COM
1. Type of Well: G		8. Well Number 002
2. Name of Operator YATES PETROLEUM CORPORATION		9. OGRID Number 25575
3. Address of Operator 105 S 4TH ST, ARTESIA, NM 88210		10. Pool name or Wildcat
4. Well Location Unit Letter <u>P</u> : <u>800</u> feet from the <u>S</u> line and <u>990</u> feet from the <u>E</u> line Section <u>18</u> Township <u>12S</u> Range <u>32E</u> NMPM Lea County		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 4392 GR		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
 CASING/CEMENT JOB ☐
 Other: **Drilling/Cement** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
 4-30-07 TD 7-7/8" hole to 11315'. Set 5-1/2" 17# casing @ 11315'. Cemented w/705 sx 50/50 POZ and tailed in w/442 sx 15/61:11.
 3/15/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
03/21/07	Surf		14.75	11.75	42	H40	0	428	300		C				
03/28/07	Int1		11	8.625	24	J55	0	3735	1240		C				
05/02/07	Prod		7.875	5.5	17		3200	11315	1147						

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE

DATE 5/10/2007

Type or print name Shirley Pruitt

E-mail address shirleyp@ypcnm.com

Telephone No. 505-748-4356

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 5/14/2007 10:29:28 AM

District I

1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 51020

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: G

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address of Operator

105 S 4TH ST, ARTESIA, NM 88210

4. Well Location

Unit Letter P : 800 feet from the S line and 990 feet from the E line
Section 18 Township 12S Range 32E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

4392 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐

Other: **Drilling/Cement**☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3-20-07 Resumed drilling.

3-21-07 TD 14-3/4" hole to 428'. Set 11-3/4" 42# casing @ 428'. Cemented w/150 sx Class "C" w/additives and tailed in w/150 sx.

Cement circulated. WOC 41 hrs. Reduced hole to 11" and resumed drilling.

3-28-07 TD 11" hole to 3735'. Set 8-5/8" 24# and 32# casing @ 3735'. Cemented w/1040 sx 35:65:6 POZ "C" and tailed in w/200 sx Class "C". Cement circulated. WOC 36 hrs. Reduced hole to 7-7/8" and resumed drilling. 3/15/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
03/21/07	Surf		14.75	11.75	42	H40	0	428	300		C				
03/28/07	Int1		11	8.625	24	J55	0	3735	1240		C				

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE

DATE 4/11/2007

Type or print name Shirley Pruitt

E-mail address shirleyp@ypcnm.com

Telephone No. 505-748-4356

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 4/11/2007 12:51:44 PM

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, October 23, 2008 9:35 AM
To: 'sbrandon@ypcnm.com'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD
Subject: Injection application from Yates Pet Corp: Rebecca BJB State Com #2 30-025-38190

Hello Sam or Debbie:

Received your application to inject and have a couple questions:

- 1) There were no notices sent or included in the packet we received.
The Midland Map shows Chesapeake may have leases in the 1/2 mile AOR, if so, please send them notice
Send the surface owner (State Land Office?) notice
and to any other parties required by Rule 701B(2)
- 2) Un-usual to allow injection into a depleted gas producing interval, but if this was wet from the start it could be OK. Please send more info as to why this is needed, why the interval was chosen over any shallower Permian aged (oil bearing) formations, what is the prospects for Atoka gas production in offsetting tracts that could be affected by this injection. The water production rate reported (480 barrels per day) is low. Is this adequate capacity? Isn't these meandering sands limited as to reservoir extent? Will injection affect any Morrow potential in the area?
- 3) No logs on the OCD web site. If logs have not been sent, please send them to Hobbs. If they have been sent, but are being held tight, then please send a copy of a resistivity log just over this Atoka interval to be placed in this injection application file.
- 4) There was no "Before Conversion" wellbore diagram and the "After Conversion" diagram was hard to read, I printed one from the web site, but need to know your plans as to where the location of the CIBP in the converted well - we normally require a CIBP to be within 200 feet of the lowermost injection interval.
- 5) Please have someone sample a water well (if one is within 1 mile) and send a copy of the analysis in - this can be sent in after the permit is approved if it will hold up anything.
- 6) Was there a DV tool placed in the 5-1/2 inch casing? if so, where?

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

10/23/2008

Jones, William V., EMNRD

From: Sam Brandon [sbrandon@YPCNM.COM]
Sent: Thursday, October 23, 2008 2:18 PM
To: Jones, William V., EMNRD
Subject: Rebecca #1 C-108 application

Thanks for your email. Debbie will be sending you an e-mail with (hopefully) more clear wellbore diagrams, a copy of the log as requested and the proof of notifications to Chesapeake and the surface owner.

Our field people could find no water wells within a mile of the Rebecca #1. There is no DV tool in the well.

The Atoka was selected for several reasons.

1. Cement quality is higher than across the shallower intervals. We assume we will have better containment.
2. We have tested the Atoka zones that we propose to inject into. While not ideal, the zones have good permeability and reasonable porosity. We did not get information as to reservoir extent but this is either the same or a similar interval to wells west of this location.
3. Atoka does not appear commercially productive in the near area. Our testing in the 10693-10707' interval resulted in slight shows of gas with swabbing. Pressures did not exceed 100 psi with overnight shut-in. Water rates were a steady 10 barrels per hour, swabbing. The 10576-10583' interval had lower shut-in pressures, no hydrocarbon shows and swab rates of 18 barrels of water per hour.
4. My review of the area around the Rebecca No. 1 resulted in finding no wells that have produced from the Atoka and only 1 well that produced from the Morrow in the SW/4 of section 19-12S-32E. It appears this well is near the end of its life as last known production was about 1500 MCF per month with 1500 barrels of water per month.

It is proposed that the Rebecca #1 SWD well will serve the Patsy State Unit No. 2 in Section 11-12S-31E and the Patsy State Unit No. 8 in Section 14-12S-31E. Patsy #2 produces about 60 barrels of water per day and it is expected that Patsy No. 8 will produce about 150 barrels of water per day. Both wells are completed in the Atoka so it is expected that the water will be compatible with that in the Rebecca #2 SWD.

If you have any questions, let me know.

Thanks,

Sam Brandon

This inbound email has been scanned by the MessageLabs Email Security System.

10/23/2008

Injection Permit Checklist (7/8/08)

Case 151 R- SWD WFX PMX IPI 11/108 Permit Date 11/108 UIC Qtr 11/108
 # Wells 2 Well Name: Rebecca BTB State Com #2
 API Num: (30-) 025-38190 Spud Date: 3/20/07 New/Old: N (UIC primacy March 7, 1982)
 Footages 800 FSL/990 FEL Unit N Sec 6 Tsp 258 Rge 30E County Eddy
 Operator: Yater P C Contact Sam Bradley
 OGRID: 25575 RULE 40 Compliance (Wells) 2/2433 (Finan Assur) OK
 Operator Address: 105 Santa Fourth St.

Current Status of Well: TAED

Planned Work to Well: Drill PLUGS & log Planned Tubing Size/Depth: 2 7/8 @ 10520

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	<u>14 3/4 13 1/4</u>	<u>428</u>	<u>300</u>	<u>Surf.</u>
Existing <input checked="" type="checkbox"/> Intermediate	<u>11 8 7/8</u>	<u>3735</u>	<u>1240</u>	<u>Surf.</u>
Existing <input checked="" type="checkbox"/> Long String	<u>7 1/8 5 1/2</u>	<u>11315</u>	<u>1147</u>	<u>1950 CBL CIBPC 11/10</u>

DV Tool Clamp Open Hole Clamp Total Depth PBTD

Well File Reviewed ✓

Diagrams: Before Conversion OK After Conversion ✓ Elogs in Imaging File: No

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)		<u>WC</u>	
Injection..... Interval TOP:	<u>10576</u>	<u>ATOKA</u>	
Injection..... Interval BOTTOM:	<u>10707</u>	<u>ATOKA</u>	
Below (Name and Top)	<u>10925</u>	<u>morro</u>	

2115 PSI Max. WHIP
NO Open Hole (Y/N)
 Deviated Hole?

Sensitive Areas: Capitan Reef Cliff House Salt Depths

.....Potash Area (R-111-P) Potash Lease Noticed?

Fresh Water: Depths: 0-94' Wells(Y/N) NO Analysis Included (Y/N): NO Affirmative Statement ✓ 2 11BPD

Salt Water: Injection Water Types: ATOKA/morro Analysis?

Injection Interval.....Water Analysis: ✓ Hydrocarbon Potential Wet (20 BWPH) only Slight Gas

Notice: Newspaper(Y/N) ✓ Surface Owner SLO. Mineral Owner(s)

RULE 701B(2) Affected Parties: Chesapeake

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 0 Num Repairs ✓ Producing in Injection Interval in AOR ✓

..P&A Wells 0 Num Repairs ✓ All Wellbore Diagrams Included? ✓

Questions to be Answered:

Sand FW analysis
ATOKA Trud major nearest Pot. Prod.
SLO NOTICE / Sand LOGS / CBL

Required Work on This Well: Wet Gas To Be Produced Request Sent ✓ Reply: ✓

AOR Repairs Needed: none Request Sent ✓ Reply: ✓

Request Sent ✓ Reply: ✓