

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: HILLSIDE OIL & GAS, LLC  
ADDRESS: PO BOX 8911, MIDLAND TX 79708  
CONTACT PARTY: PERRY L. HUGHES PHONE: 505-885-5433
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes 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: JAN - 7 2002
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Perry L. Hughes TITLE: AGENT  
SIGNATURE: Perry L. Hughes DATE: 12/14/01
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

## ATTACHMENT TO OCD FORM C-108

HILLSIDE OIL & GAS, LLC  
FOX #1

(30-015-24426)

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

- X. Logging Data – The available logs are those on file with the Oil Conservation Division from the original operator of the well. See Exhibit “F” attached.
- XI. Fresh Water Wells – Fresh water wells exist within one mile of proposed disposal well in Unit “F” of Section 35, T18S, R26E. The Artesia fresh water area exists to approximately 850 feet. Analysis of samples from two or more fresh water wells are being obtained and will be provided as soon as available.
- XII. Affirmative Statement – An affirmative statement of examination is attached Exhibit “E”.
- XIII. Proof of Notice – Copies of this C-108 Application have been mailed to the surface owner and each leasehold operator within one-half mile of the proposed disposal well. An Affidavit of such notice is attached Exhibit “G”. Copies of the return receipts will be furnished upon request.

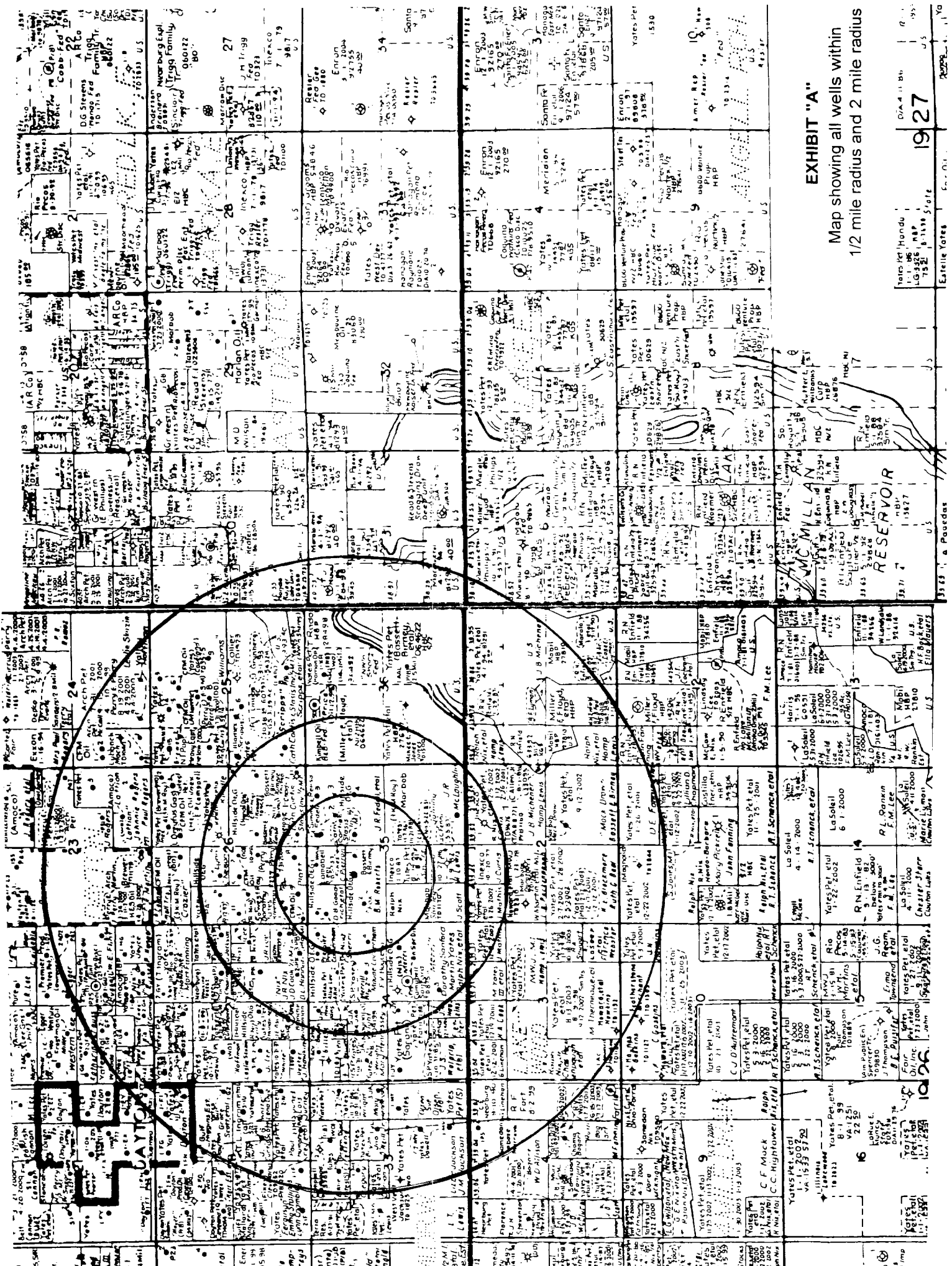


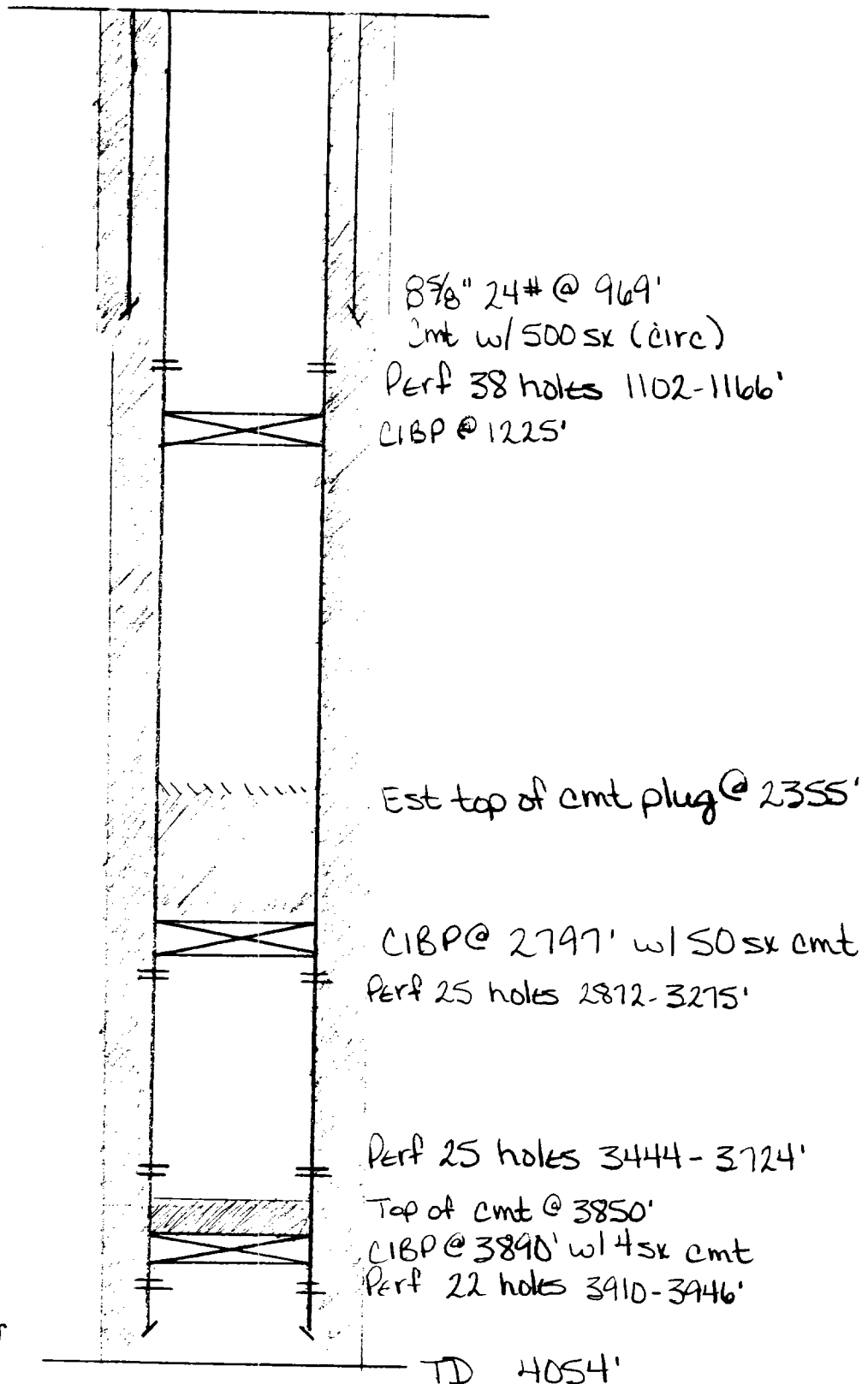
EXHIBIT "A"

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

1927

Estelle Yates

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



Drilled 03/83

Exhibit B  
 Doc. 1



**Exhibit "B"**  
**Page 2**

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

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





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

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

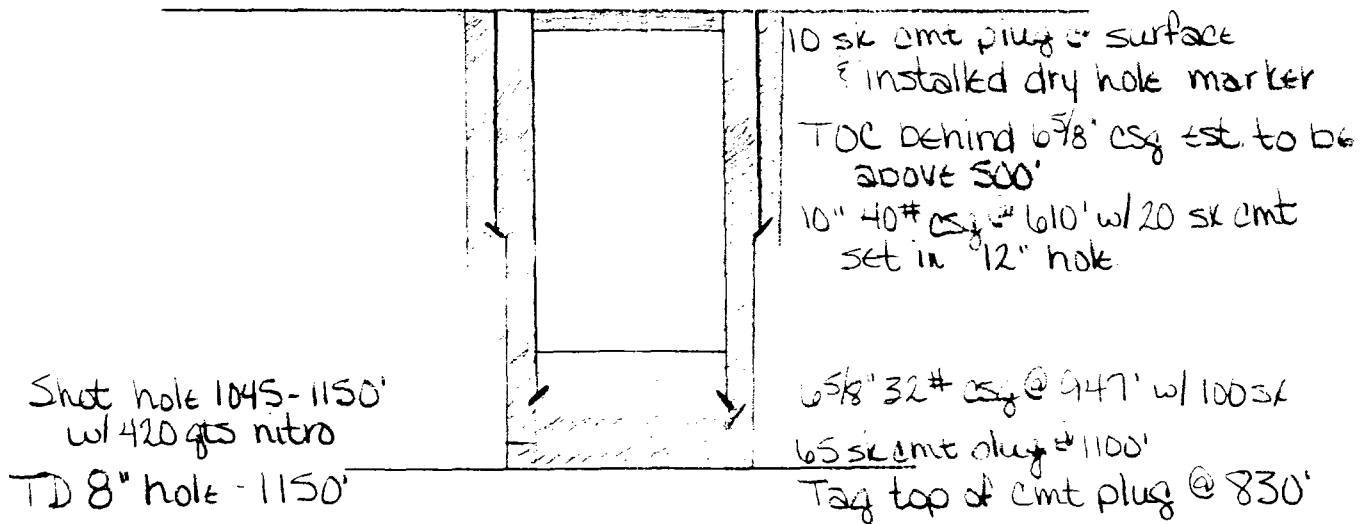
Well Name	Unit	IRG	Type	Date Drilled	ID	STO	casing	Cement	Corrosions	Stimulation	Producing Zone
Fedell #2	990' FNL & 1605' FES	B	P&A	08/28/50	1140'		7" 20# @ 917'	125 sx	917' - 1140'	75 qts Nitroglycerin	Grayburg
								80 sk plug @ 1137'	Open Hole		
								10 sk plug @ surface			
E. P. Campbell #1	330' FNL & 1980' FWL	C	P&A	03/31/59	1997'		8 5/8" @ 982'	600 sx (circ)			
							casing collapsed	98 sk plug @ 750' - 1054'			
			Converted to water well February 1962				900-970'	33 sk plug @ 450' - 550'			
								33 sk plug @ 200' - 300'			
								8 sk plug 25' - surface			
Roberts #1	2310' FWL & 990' FNL	C	P&A	09/17/41	1152'		8 1/4" 28# @ 932'	300 sx	1108' - 1133'	120 qts Nitroglycerin	Grayburg
								45 sk plug 880' - 980'			
								35 sk plug 350' - 450'			
								10 sk plug @ surface			
Fikes #1	330' FNL & 2045' FWL	C	Oil	12/01/82	3809'	3708'	8 5/8" 24# @ 900'	600 sx (circ)	2820' - 3612'	180000 gal KCl & 400000# sand	Atoka Glorieta - Yesso
							5 1/2" 15.5# @ 3708'	800 sx (circ)			
Sherri #1	660' FNL & 330' FWL	D	Oil	06/25/85	4100'	4014'	8 5/8" 24# @ 916.5'	550 sx (circ)	2793' - 3835'	9000 gal acid; 240000 gal gel wrt & 475000# sand	Atoka Glorieta - Yesso
							5 1/2" 15.5# @ 4078'	650 sx (circ)			
D H Goodrich #1	330' FNL & 330' FWL	D	Oil	12/16/58	6400'		8 5/8" 24# @ 1200'	300 sx (circ)	6202' - 6210'	20000 gal acid	Dayton Abo
							5 1/2" 14.5# @ 6400'	800 sx (circ)	5604' - 5624'	11000 gal acid	
									5550' - 5570'		
Fox #2	1980' FNL & 660' FWL	E	P&A	12/05/84	4151'	4122'	8 5/8" 24# @ 918.5'	550 sx (circ)	2796' - 3882'	6000 gal 15% NEFE; 180000 gal KCl & 347500# sand	Atoka Glorieta - Yesso
							5 1/2" 15.5# @ 4136'	675 sx (circ)			
								10 sk plug on CIBP @ 3425'			
								70 sk plug @ 966' - 837'			
								10 sk plug @ 30' - surface			
Fedell #2	1650' FNL & 2310' FEL	G	Oil	01/05/84	3875'	3829'	8 5/8" 28# @ 972.65'	550 sx (circ)	2910' - 3650'	180000 gal KCl & 290500# sand	Atoka Glorieta - Yesso
							5 1/2" 15.5# @ 3865'	700 sx (circ)			
Fedell #4	1650' FNL & 990' FEL	H	Oil	1/13/84	3975'	3933'	8 5/8" 24# @ 972'	550 sx (circ)	3360' - 3718'	81450 gal KCl & 130000# sand	Atoka Glorieta - Yesso
							5 1/2" 15.5# @ 3961'	400 sx (top @ 320')	2960' - 3304'	98640 gal KCl & 160500# sand	
								(by temp survey)			

Exhibit D

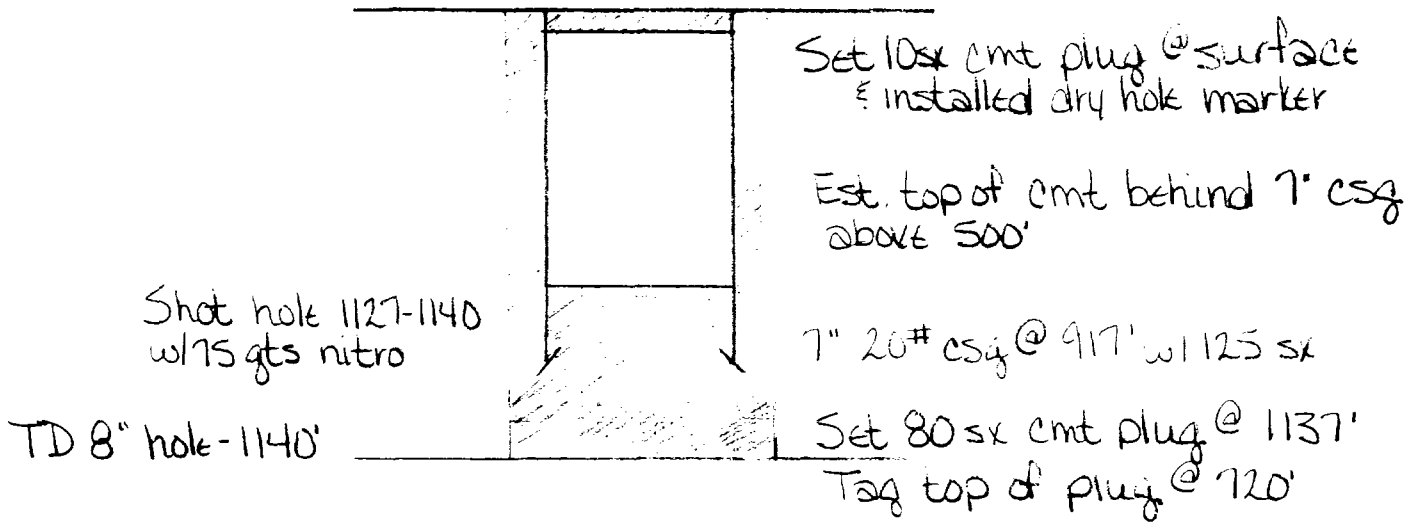
P & A

Wellbore  
Diagrams

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

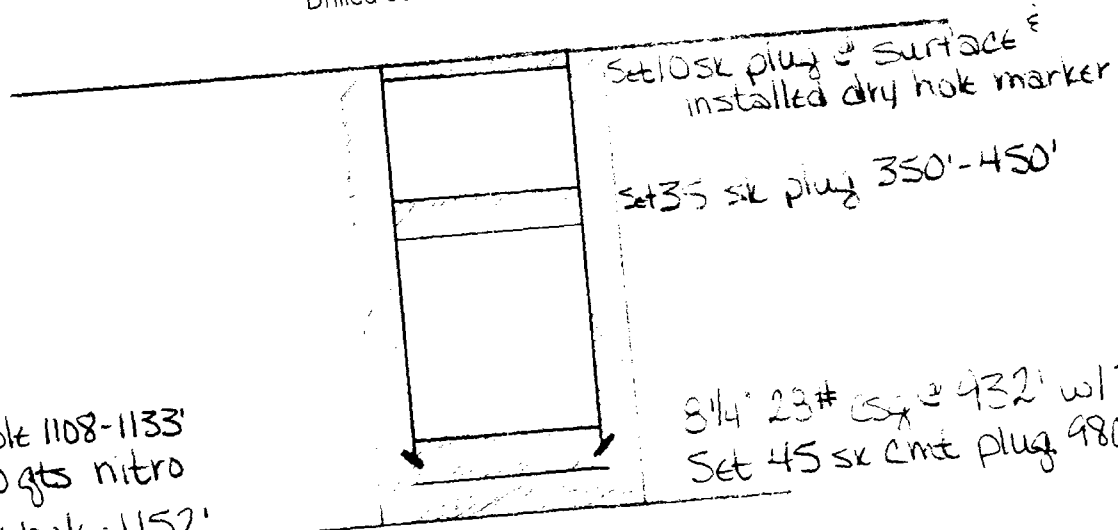


**Fedell #2**  
990' FNL & 1650' FEL, Unit B  
Section 35, T18S, R26E  
Eddy County, NM  
Drilled 08/28/50 - Plugged 07/28/83



Fedell #2

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

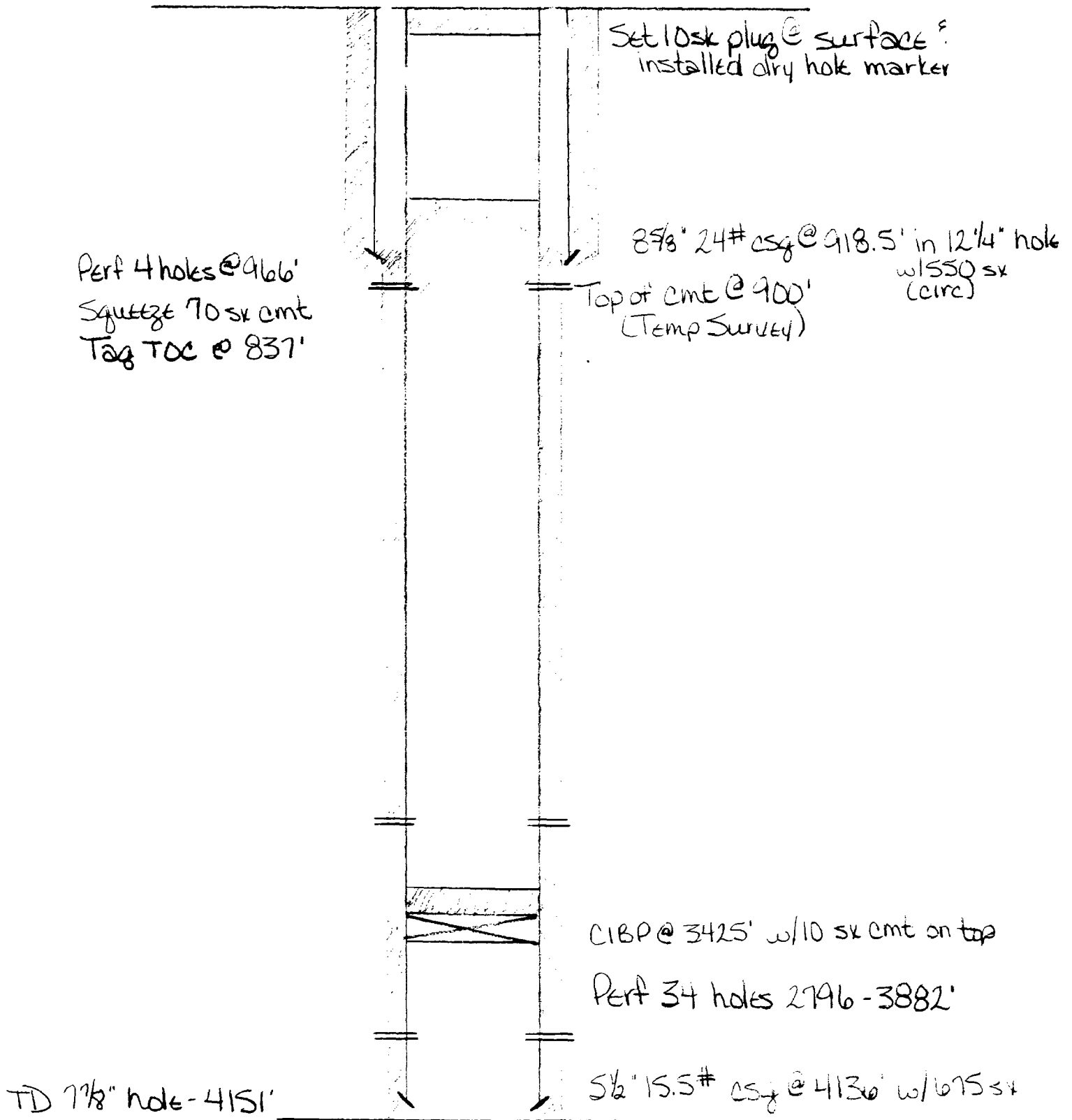


Shot hole 1108-1133'  
w/ 120 gts nitro  
TD 10" hole - 1152'

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

Roberts #1

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



# Perry L. Hughes

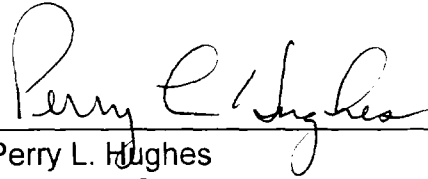
*Petroleum Engineer*

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

## Affirmative Statement

### Exhibit "E"

I have examined the available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

A handwritten signature in cursive script, reading "Perry L. Hughes", written over a horizontal line.

Perry L. Hughes  
Petroleum Engineer

12/14/01

Date



**Wireline Services**  
**Division**  
 Geosource Inc.



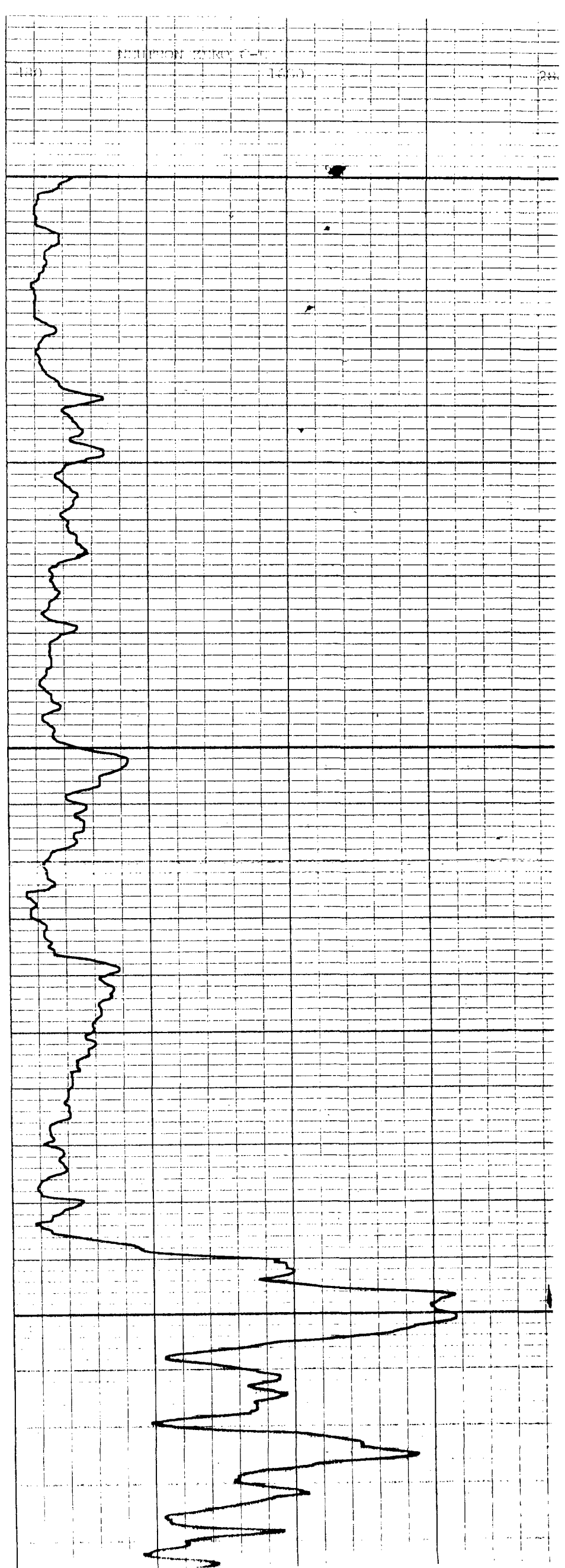
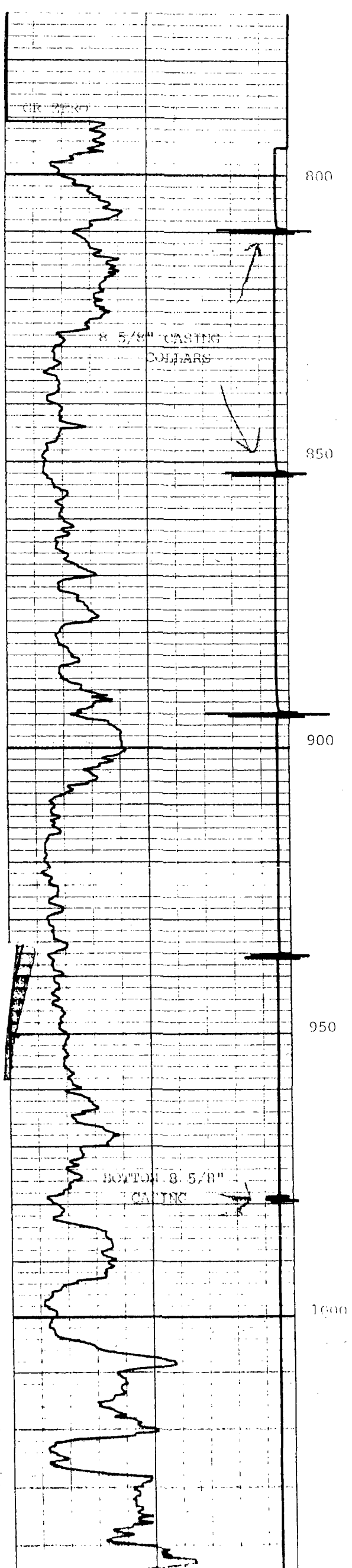
# RADIOACTIVITY LOG

COUNTY FIELD LOCATION WELL COMPANY	COMPANY <u>RALPH NIX</u>		<b>RECEIVED</b>																																																																																	
			<b>JUN 11 1983</b>																																																																																	
	WELL <u>FOX #1</u>		<b>O. C. D.</b>																																																																																	
	FIELD <u>YESO ATOKA</u>		<b>ARTEGIA, OFFICE</b>																																																																																	
	COUNTY <u>EDDY</u>		STATE <u>NEW MEXICO</u>																																																																																	
Location: <u>1650 FNL &amp; 1650 FWL</u>			Other Services:  <u>NONE</u>																																																																																	
Sec. <u>35</u> Twp. <u>18-S</u> Rge. <u>20-E</u>																																																																																				
Permanent Datum: <u>GROUND LEVEL</u> , Elev. <u>3350</u> Log Measured From <u>K.B.</u> , <u>5'</u> Ft Above Perm. Datum Drilling Measured From <u>KELLY BUSHING</u>			Elev.: K.B. <u>3355</u> D.F. <u>      </u> G.L. <u>3350</u>																																																																																	
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Type Log	<u>CALBRATED GAMMA RAY NEUTRON</u>																																																																																			
Depth — Driller	<u>4055</u>																																																																																			
Depth — Logger	<u>4064</u>																																																																																			
Bottom Logged Interval	<u>4063</u>																																																																																			
Top Logged Interval	<u>800</u>																																																																																			
Type Fluid In Hole	<u>BRINE WATER</u>																																																																																			
Salinity, PPM Cl.																																																																																				
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Max. Rec. Temp., Deg F.																																																																																				
Operating Rig Time	<u>3 HRS.</u>																																																																																			
Recorded By	<u>T. GILL</u>																																																																																			
Witnessed By	<u>MR. HARRIS</u>																																																																																			
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:10%;">RUN</th> <th colspan="3">BORE-HOLE RECORD</th> <th colspan="4">CASING RECORD</th> </tr> <tr> <th>No.</th> <th>Bit</th> <th>From</th> <th>To</th> <th>Size</th> <th>Wgt.</th> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>					RUN	BORE-HOLE RECORD			CASING RECORD				No.	Bit	From	To	Size	Wgt.	From	To																																																																
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TA APPROVED 1/28/00 FOR 5 YRS

Exhibit 'F'



GRAB BARS

DATE 9/89 TOTAL 38 RELEASE

ACID W/  
1000 gal  
MCA

ACID W/1000 gal  
MCA

FRAC W/ 40000 gal 40" X-LINK

46000# 20/40

16500# 12/20

NO PRESSURE OR TEMPERATURE AVAILABLE

TEST 0.8 BOPD

6 BWPD

TEST W

CI BP @ 1225'

2750

2800

2850

2900

2950

CI BP @ 2797'

W/50 ST. 00 TOID

EST 700 285'

6/83 Perf's 2872 - 3275 25 Holes.

Acid w/1000 gal

Frac w/100000 gal 10% KCF gel

w/122,500# 20/40

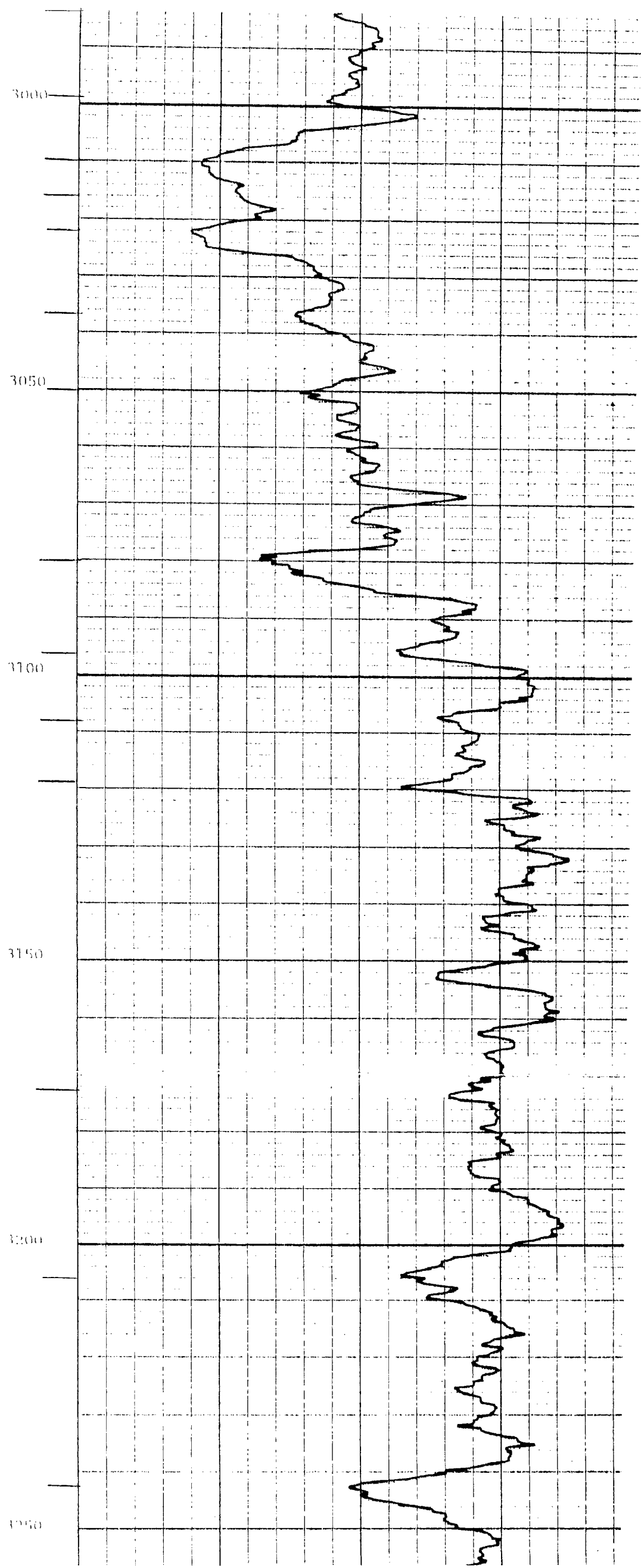
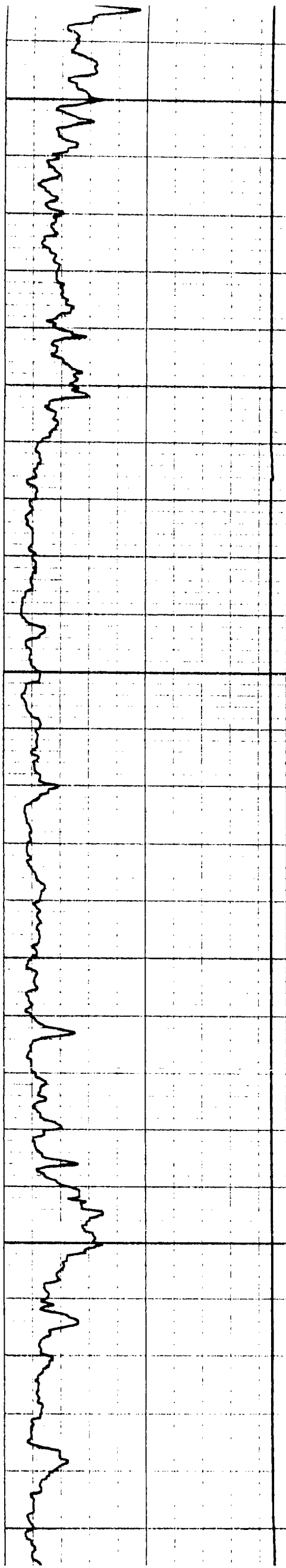
30,000# 10/20

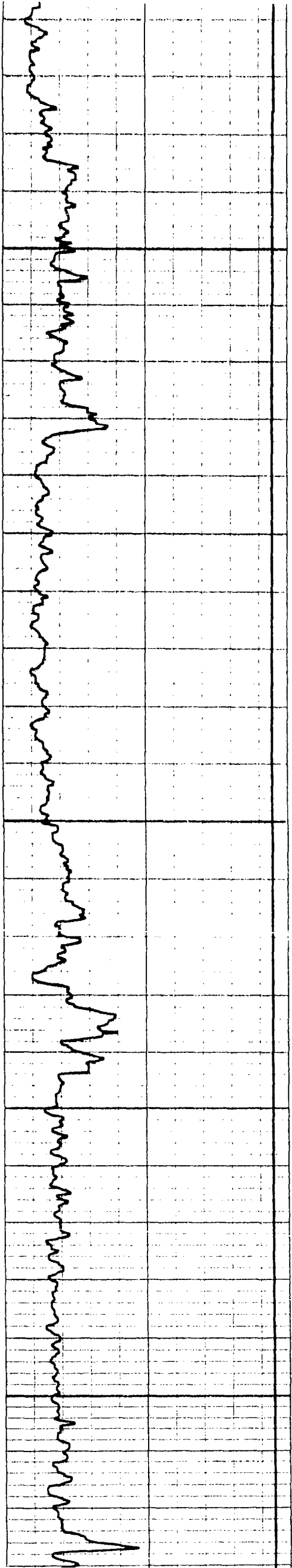
@ 86 BPM @ 2850 psi

ISIP 1140 psi 15 910 psi

Flow Break POP

IP 35 BOPD, 420 BOPD, TSTM





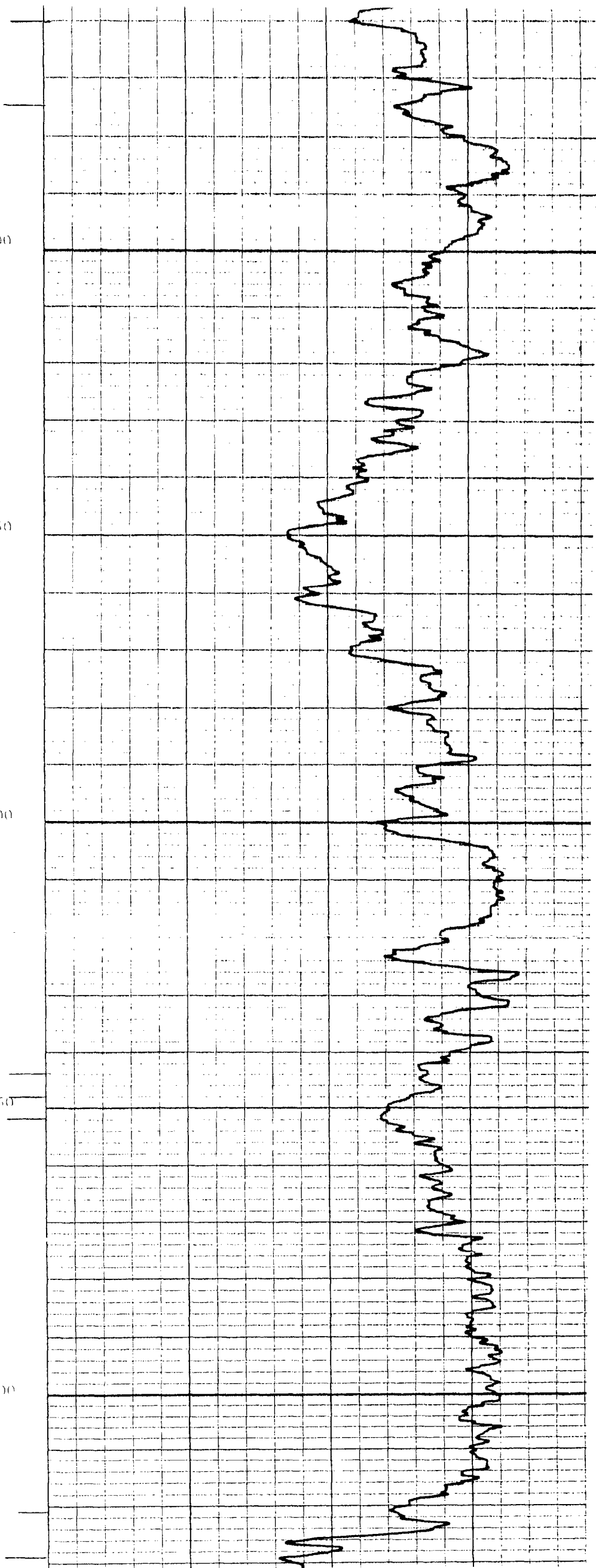
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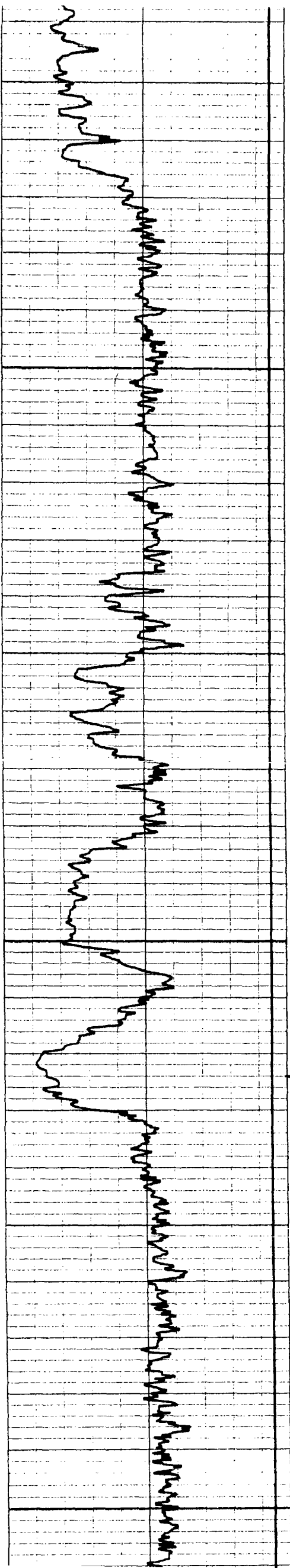
3350

3400

3450

3500





3550

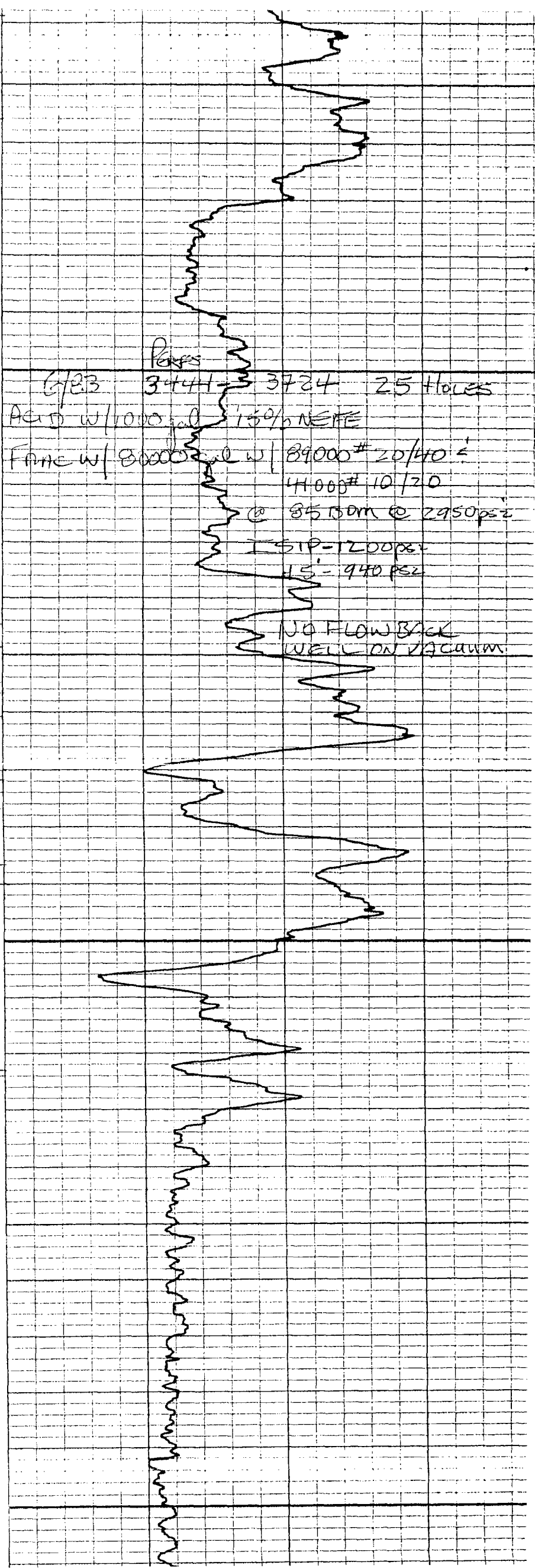
3600

3650

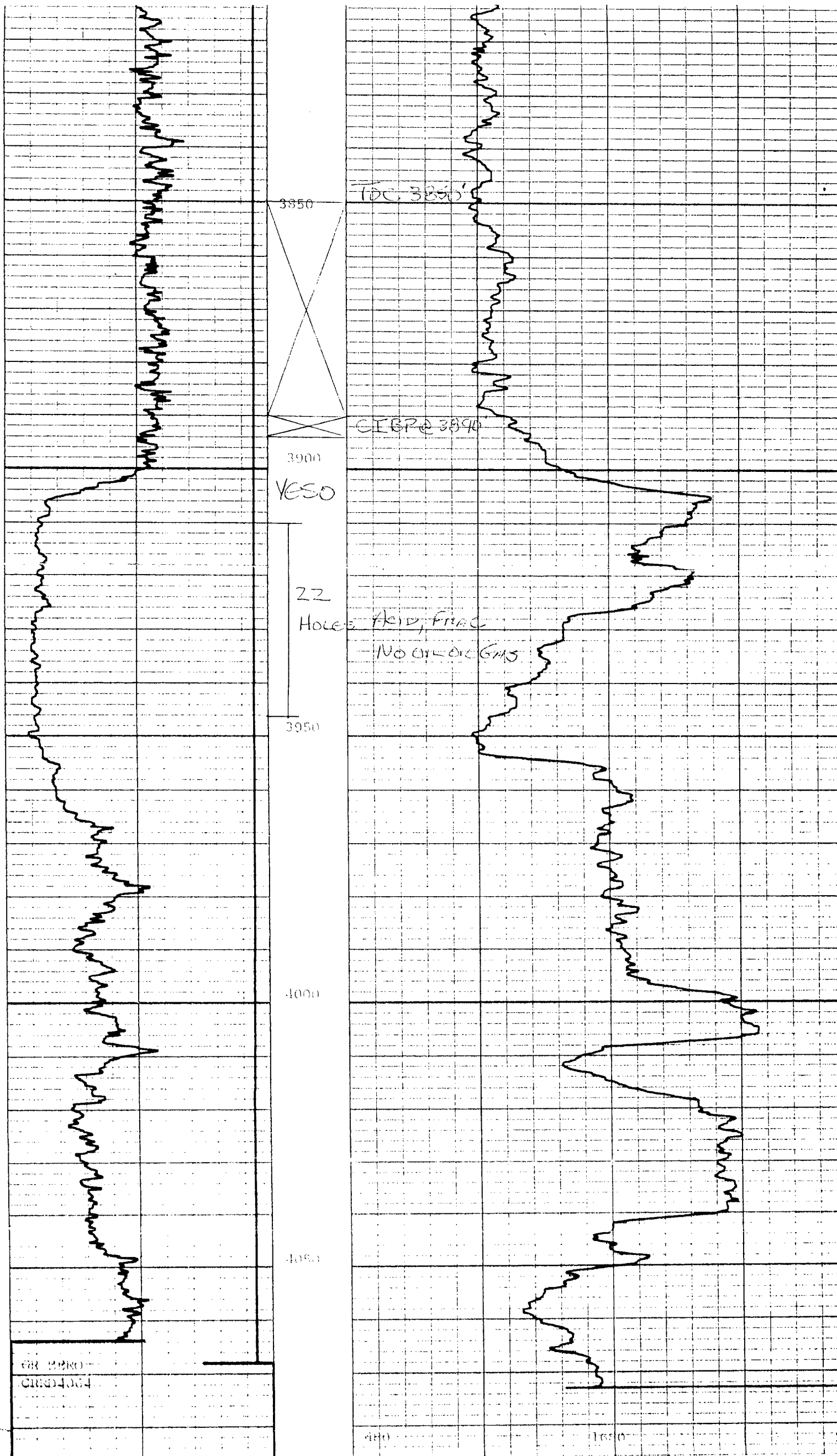
3700

3750

3800



6/23 3444-3724 25 Holes  
Acid w/1000 gal 15% NEFE  
Frac w/8000 gal w/89000# 20/40 <  
41000# 10/20  
@ 85 BDM @ 2950 psi  
ISIP=1200 psi  
IS=940 psi  
NO FLOW BACK  
WELL ON VACUUM





# Affidavit of Publication

NO. 17577

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The  
Artesia Daily Press, a daily newspaper of general  
circulation, published in English at Artesia, said county  
and county and state, and that the here to attached

## Legal Notice

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

First Publication December 16 2001

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Subscribed and sworn to before me this

17th day of December 2001

Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

# Copy of Publication:

## LEGAL NOTICE

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

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

Legal 17577

Exhibit "G"

# Perry L. Hughes

*Petroleum Engineer*

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

December 12, 2001

## CERTIFIED RETURN RECEIPT

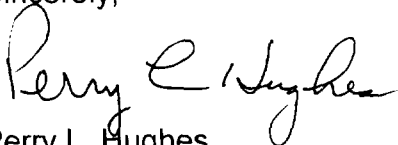
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Gentlemen:

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

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

Sincerely,



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

PLH/mp

Enclosure

# Perry L. Hughes

*Petroleum Engineer*

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

December 12, 2001

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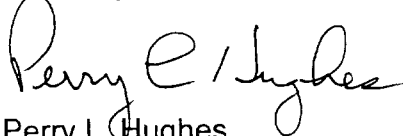
Premier Oil & Gas  
PO Box 1246  
Artesia, NM 88211-1246

Dear Mrs. Jones:

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

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

Sincerely,

A handwritten signature in cursive script that reads "Perry L. Hughes". The signature is written in dark ink and is positioned above the printed name.

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

PLH/mp

Enclosure

# Perry L. Hughes

*Petroleum Engineer*

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

December 12, 2001

## CERTIFIED RETURN RECEIPT

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

To Whom It May Concern:

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

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

Sincerely,



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

PLH/mp

Enclosure