Mr. Perry L. Hughes 207 W McKay Carlsbad, NM 88220 505-885-5433 Fax 505-885-4989

January 9, 2002

Mr. David Catanach Oil Conservation Division 1220 S St Francis Dr Santa FE, NM 87504

RE: Hillside Oil & Gas Application to Dispose of Produced Water (C-108) Fox Well No. 1 Atoka Glorieta Yeso Field Eddy County, NM

Dear Mr. Catanach,

Please refer to the referenced submittal made to you by Mr. Paul Cooter on January 7, 2002. I have examined the data submitted on Exhibit "C" and believe that additional information regarding cement tops is required for two wells.

- 1. Platt No. 4. Unit M Sec. 26, T18S, R26E
 - Drilled 1958. Current perfs 2758'-3753' in Glorieta Yeso.
 - a. 8 5/8" 28# SA 1115'. Cement w/750 sx did not circulate. Performed top job w/150 sx.

b. 5 1/2" 14# SA 6405' in 7 7/8" hole. Cement w/800 sx. Type of cement unknown – assume Neat "C" with yield of 0.84 Ft³/sx. 5 1/2" csg x 7 7/8" OH = 5.7719 Ft/Ft³
800 sx x 0.84 Ft³/sx = 672 Ft³
672 Ft³ x 5.7719 Ft/Ft³ = 3879 Ft
6405' - 3879' = 2526' Calc. TOC.

- Platt No. 8. Unit N Sec 26, T18S, R26E Drilled 1983. Current Perfs 2827'-3501' Glorieta Yeso.
 - a. 8 5/8" 24# SA 978'. Cement w/600sx did not circulate. Performed top job w/200 sx circ.
 - b. * 4 ½" 9.5# J-55 SA 3800' w/175 sx "C" + 4% Gel and 400 sx "C" Neat in 6 ¼" hole.

 $4 \frac{1}{2}$ " csg x 6 $\frac{1}{4}$ " OH = 9.7460 Ft/Ft³

Page 2 January 9, 2002 Perry L. Hughes

- 1. "C" + 4 % Gel: Yield 1.19 Ft³/sx
- 175 sx x 1.19 Ft³/sx = 208 Ft³ x 9.7460 Ft/Ft³ = 2030 Ft 2. "C": Yield = 0.84 Ft³/sx
 - $400 \text{ sx x } 0.84 \text{ Ft}^3/\text{sx} = 336 \text{ Ft}^3 \text{ x } 9.7460 \text{ Ft}/\text{Ft}^3 = 3898 \text{ Ft}$

No report in well file if cement circulated, but based on calculation, TOC should be at or near surface.

• Records show "5 1/2" 9.5#" set in 6 1/4" hole. Believe casing size error – should be 4 1/2" casing.

Return receipts from mailings to offset operators and land owner have been received and will be provided. Analysis of samples from fresh water wells is being obtained and will be provided as soon as available. Please advise if this provides all the information required to obtain administrative approval for our application.

Sincerely,

Very Churches Perry L. Hughes

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	Perry L. H	lughes	
207 W McKay	Carlsbad, NM 88220	505-885-5433	Fax 505-885-4989
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RE: Hillside Oil & Gas Application to Dispose of Produced Water (C-108) Fox Well No. 1 Atoka Glorieta Yeso Field Eddy County, NM

Dear Mr. Catanach,

Please refer to the submittal made to you by Mr. Paul Cooter on January 7, 2002. Attached are the USPS Return Receipt Cards from the offset operators and the surface owner acknowledging receipt of the C-108. Also attached is the analysis by Halliburton of water samples from two fresh water wells within one mile of the proposed disposal well. These wells are located in the SW/4 SE/4 Section 27, T18S, R26E, Eddy County, New Mexico.

I believe this provides all the information and data required. Please advise if anything additional is needed. Thank you for your timely consideration of our application.

Sincerely, Perry L. Hughes

Attachments

;5053927062

p.1 # 3/ 3

1-21-02; 11:04AN; HALL IBURTON



CENTRAL OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY	Hillside Oil & G	as Co. LLC			REPORT		W02-013	
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This report is the property of Halliburton Company and heither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; i, may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

MPL = Milligrams per litter Resitivity measured in: Ohmanil/in

ANALYST: James Bonner

1-21-02;11:04AM:HALLIBURTON

Melanie Parker

;5053927062

p,2 # 2/ 3

HALLIBURTON

CENTRAL OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS. NEW MEXICO

COMPANY	Hillside Oil & G	as Co. LLC		REPORT	W02	W02-012		
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MPL = Milligrams per litter Resitivity measured in: Ohm/m2/m

ANALYST: James Bonner

 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. Article Addressed to: 	ODD ODD ODD COMPLETE THIS SECTION ON DEL A. Received by (Please Print Clearly) B. Date of Delivery LA VONNE NACHEERS C. Signature C. Signature 12-31 Agent Agent Agent 12-31 La von NE NACHERS Addressee D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	
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YATES PETROLEUM CORPORATION 105 S FOURTH ST ARTESIA NM 88210	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes	
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