

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



DC-orig

30-025-25686

State "3" SWD #1

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 _____

RECEIVED

MAY 24 2004

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

SWD-929
Checked 6/24/04
OK

- [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

OLD SWD-936
2-PFA AOR wells
MISS 1991-11242'
PEW
Pmax = 2,138 psi

[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 Sam Brandon Operations Engineer 5/17/04
 Print or Type Name Signature Title Date

e-mail Address



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

5/24/04

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

RE: Proposed:
MC _____
DHC _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Yates Petroleum Corp State 3 SWD #1-G-3-95-32e
Operator Lease & Well No. Unit S-T-R API# 30-025-25686

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Supervisor, District 1

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 OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

May 18, 2004

Oil Conservation Division
David Catanach
P.O. Box 2088
Santa Fe, NM 87504

Dear Mr. Catanach;

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation's State 3 SWD #1, located in unit G, 2310 FNL & 1980' FEL, Sec 3, T9S-R32E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4281.

Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm

Enclosure

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DENNIS G. KINSEY
TREASURER

May 18, 2004

Chris Williams
New Mexico Energy & Minerals Department
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, New Mexico 88240

Dear Mr. Williams,

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Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'. The signature is written in a cursive style with a long horizontal flourish at the end.

Sam Brandon
Operations Engineer

SB/cm

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DENNIS G. KINSEY
TREASURER

May 18, 2004

Mr. Pete Martinez
State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
santa Fe, New Mexico 87504-1148

Dear Mr. Martinez;

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates Petroleum Corporation's State 3 SWD #1, located in unit G, 2310 FNL & 1980' FEL, Sec 3, T9S-R32E, Lea County, New Mexico.

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Sincerely,

A handwritten signature in black ink that reads 'Sam Brandon'.

Sam Brandon
Operations Engineer

SB/cm

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SECRETARY
DENNIS G. KINSEY
TREASURER

May 18, 2004

C.F. Harding
6211 w. Nw Hwy Ste C-252
Dallas, Texas 75225

To Whom It May Concern:

Please find enclosed a copy of Yates Petroleum Corporation form C-108 (application for Authority to Inject) on our State 3 SWD #1, located in unit G, 2310' FNL & 1980' FEL, Section 3, T9S-R32E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-4281.

Sincerely,

Sam Brandon
Operations Engineer

SB/cm

Enclosure

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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

May 18, 2004

Bell Petroleum
Box 472
Midland, Texas 79702

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Should you have any questions, please feel free to contact me at (505) 748-4281.

Sincerely,

Sam Brandon
Operations Engineer

SB/cm

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

State 3 SWD #1

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: (505) 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: Operations Engineer
SIGNATURE: Sam Brandon DATE: 5-18-04

* 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.

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 Application for Authorization to Inject
Yates Petroleum Corporation
State "3" SWD #1
30-025-25686
Unit G Sec. 3, T9S, R32E
Lea County, New Mexico**

- I. The purpose of returning this well to SWD Status for disposal of produced Devonian water into the Mississippian and Devonian formation.
- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Sam Brandon (505) 748-4281
- III. Well Data: See Attachment A
- IV. This is not an expansion of an existing project.
- V. See attached map, Attachment B.
- VI. Two wells within the area of review penetrates the proposed injection zone. (See Attachment C)
 1. Proposed average daily injection volume into the Mississippian and the Devonian at approximately 2500 BWPD. Maximum daily injection volume approximately 4000 BWPD.
 2. This will be a closed system.
 3. Mississippian and Devonian- Proposed average injection pressure-300 psi
Mississippian and Devonian- Proposed maximum injection pressure -1000 psi.
 4. Sources of injected water would be produced water from the Devonian. (Attachment D)
- VII.
 1. The proposed injection interval is the portion of the Mississippian and Devonian formation consisting of porous Limestone from estimated depths of 10691-695, 10703-723', 10734-738', 10893-897', Open hole 11192-242'.

2. Possible Fresh water zones overlie the proposed injection formations at depths to approximately 180'. There are no fresh water zones underlying the formation.

- VIII. The proposed disposal intervals may be acidized with 15% HCL acid.**
- IX. Logs were filed at your office when the well was drilled.**
- X. One windmill exists within a one-mile radius of the subject location. (Attachment E)**
- XI. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed intervals. (Attachment F)**
- XII. Proof of notice.**
 - A. Certified letters sent to the surface owner and offset operators attached (Attachment G)**
 - B. Copy of legal advertisement attached. (Attachment H)**
- XIV. Certification is signed.**

Well Name: State "3" SWD No. 1 Field: _____

Location: 2310' FNL & 1980' FEL Sec. 3-9S-32E Lea Co, NM

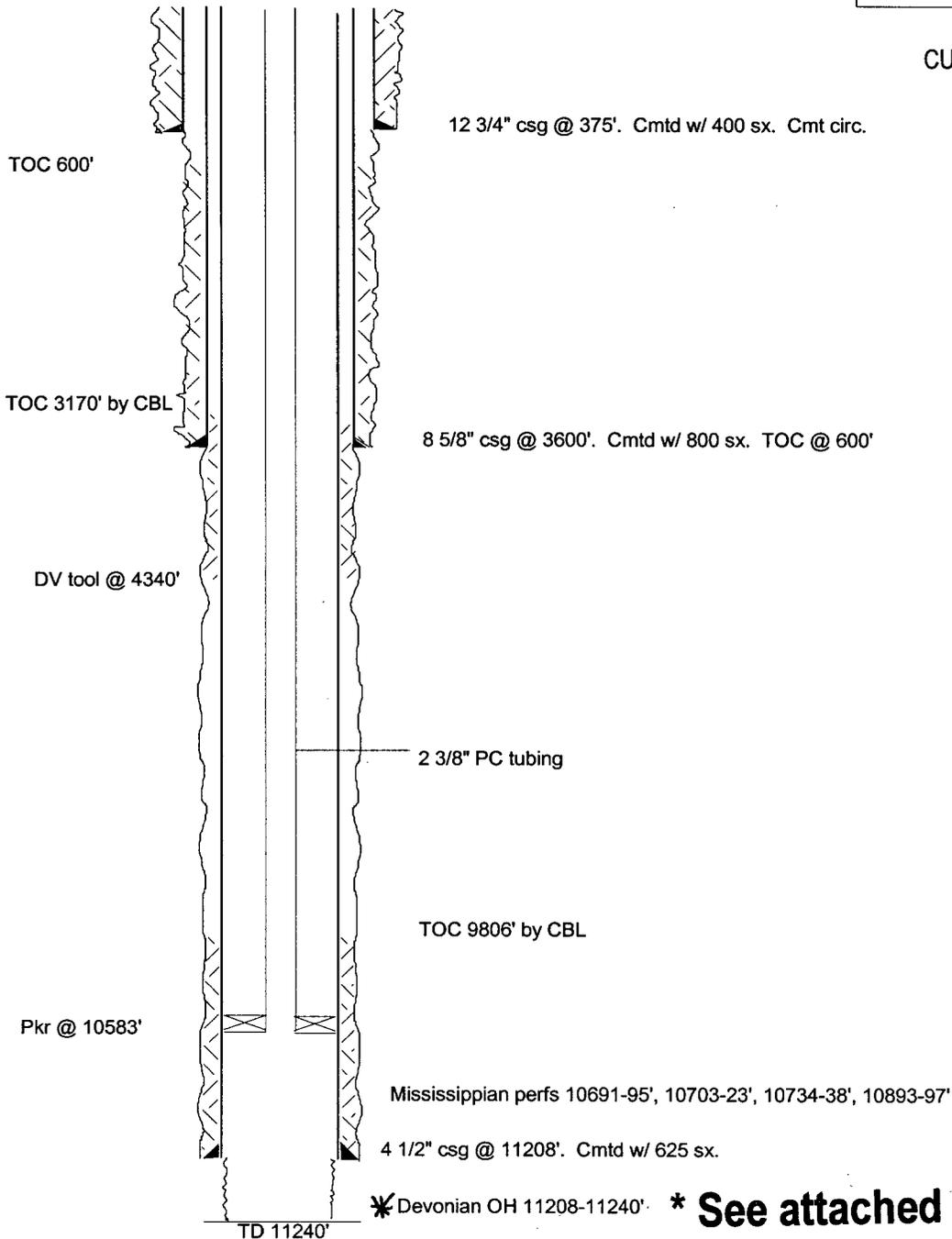
GL: _____ Zero: _____ AGL: _____ KB: _____

Spud Date: _____ Completion Date: _____

Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
12 3/4"	375'
	3600'

CURRENT CONFIGURATION



SKETCH NOT TO SCALE

DATE: 5/17/04

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

Form C-105
Revised 11-1-78

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
L-3021

a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER _____

7. Unit Agreement Name

8. Farm or Lease Name
State "3"

9. Well No.
1

10. Field and Pool, or Wildcat
~~undesignated~~ (Miss.)

Name of Operator
Charles F. Harding

Address of Operator
4317 Oak Lawn Avenue, Dallas, Texas 75219

Location of Well

NIT LETTER G LOCATED 2310 FEET FROM THE north LINE AND 1980 FEET FROM
East LINE OF SEC. 9-8 TWP. 22-E RGE. 32 NMPM

12. County
Lea

5. Date Spudded 11-4-77 15. Date T.D. Reached 12-27-77 17. Date Compl. (Ready to Prod.) 1-24-78 18. Elevations (DF, RKB, RT, CR, etc.) 4415 GR 4430 RKB 19. Elev. Casinghead 4415

20. Total Depth 11,192 21. Plug Back T.D. 10,897 22. If Multiple Compl., How Many _____ 23. Intervals Drilled By: Rotary Tools 11,192 Cable Tools _____

4. Producing Intervel(s), of this completion - Top, Bottom, Name
Mississippian

25. Was Directional Survey Made
NO

6. Type Electric and Other Logs Run
CDL, Forexo - Guard log

27. Was Well Cored
NO

8. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12 3/4	49.5#	375	17 1/2	400 sks. - circ.	
8 5/8	28# & 24#	3600	11	800 sks. - Top @ 600'	
4 1/2	11.6#	11,208	7 7/8	625 sks.	

9. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	30. TUBING RECORD	SIZE	DEPTH SET	PACKER SET
						2 3/8	10,680	10,680

1. Perforation Record (Interval, size and number)

10,703-723, 10,691-695
10,893-897, 10,734-738
w/one shot/foot

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>10,703</u>	<u>200 gals. 15% acid</u>
<u>to 10,738</u>	<u>4000 gals. 15% acid</u>
	<u>4000 gals. 15% acid</u>

3. PRODUCTION

Date First Production <u>1-24-78</u>	Production Method (Flowing, gas lift, pumping - Size and type pump) <u>Flow</u>	Well Status (Prod. or Shut-in) <u>Prod.</u>					
Date of Test <u>2-9-78</u>	Hours Tested <u>24</u>	Choke Size <u>16/64</u>	Prod'n. For Test Period →	Oil - Bbl. <u>51</u>	Gas - MCF <u>155</u>	Water - Bbl. <u>trace</u>	Gas - Oil Ratio <u>3036</u>
Flow Tubing Press. <u>120</u>	Casing Pressure <u>pkr.</u>	Calculated 24-Hour Rate →	Oil - Bbl. <u>51</u>	Gas - MCF <u>155</u>	Water - Bbl. <u>trace</u>	Oil Gravity - API (Corr.) <u>3036</u>	

4. Disposition of Gas (Sold, used for fuel, vented, etc.)
Vented

Test Witnessed By
not witnessed

5. List of Attachments

16. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED J. W. Mulloy TITLE Agent DATE 2-20-78

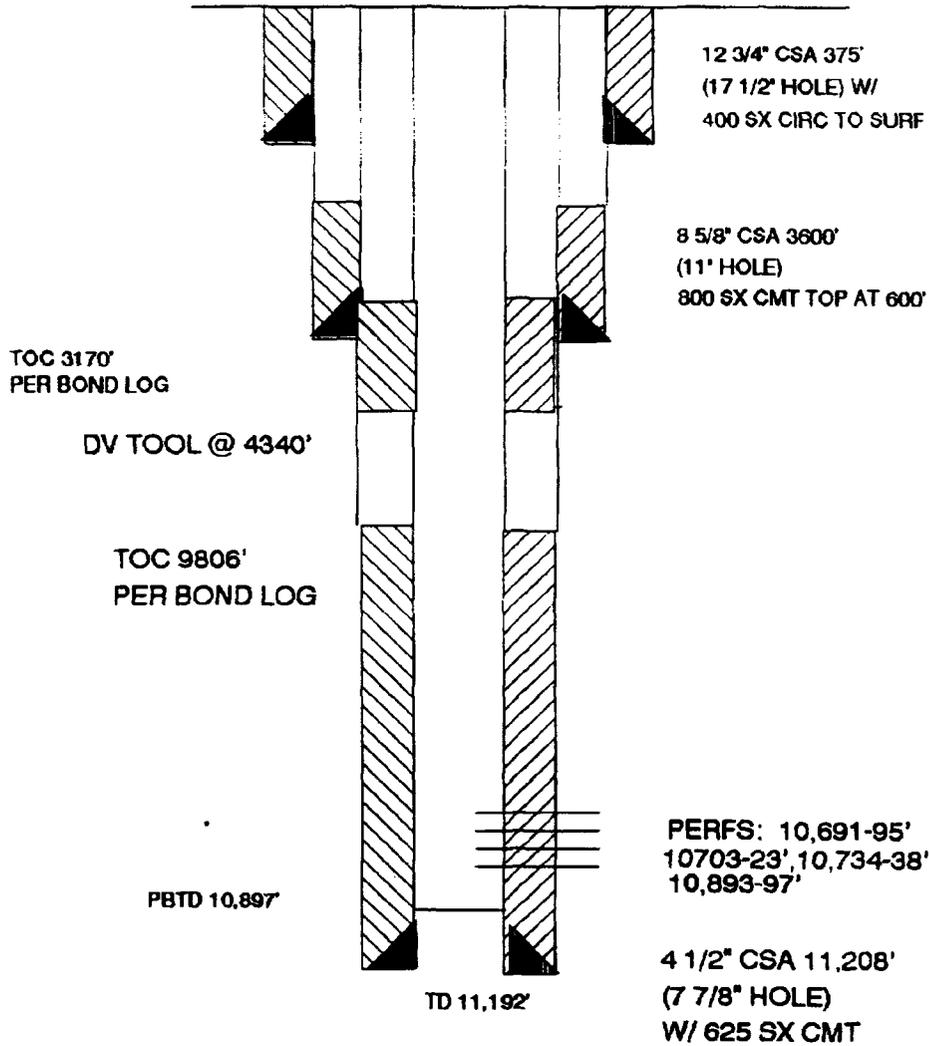
APACHE CORPORATION

STATE "3" #1
BAR - U FIELD (MISSISSIPPIAN)
2310' FNL & 1980' FEL
LEA COUNTY, NEW MEXICO

ENGR: CECI LEONARD

Prepared by: C. HUNTOON

GR: 4415'



FYI

* Attached to original SWD application

**Yates Petroleum Corporation
State "3" SWD #1
30-025-25686
Unit G Sec. 3, T9S, R32E
Lea County, New Mexico**

Attachment A

III. Well Data

- A. 1. Lease Name/Location
State "3" State SWD #1
2310' FNL & 1980' FEL
Section 3-9S-32E
Lea County, New Mexico
2. Casing Strings:
- a. Present well condition
12 3/4" @ 375' w/400 sx (circ)
8 5/8" @ 3600' w/800 sx TOC @ 600'
4 1/2" @ 11208' w/625 sx TOC @ 10600'
Guiberson UNI VI injection packer @ 10583'
2 3/8" N-80 EUE plastic coated injection tbg @ 10583'
Open hole from 11192-11242'
- b. Present Status:
Inactive Mississippian Devonian SWD
1. Injection Formation: Mississippian and Devonian
2. Injection Intervals: 10691-695' - 10703-723' - 10734-738' - 10893-897'
Open Hole: 11192-242'
3. The injection intervals are the Mississippian and the Devonian. The next higher Oil/Gas is the Pennsylvanian (Bough), The base of which is at 9240' in the State 3 #1. The closest active Penn producer is the State B 32 located in Section 1, T9S, R32E, approximately 1.5 miles east of the State 3 #1.

The State 3 #1 is currently inactive since taking the well over from American Inland Resources Company, LLC. To the best of our knowledge this well was an active SWD through 1999. The well was initially completed in 1978 as a Mississippian producer. There is no other Mississippian production in the area. Instead of plugging this uneconomic well it would be more viable to return the well to SWD status.

Yates Petroleum Corporation
 State "3" State SWD #1
 Unit G, Sec. 3, T9S-R32E
 Chaves County, New Mexico

Tabulation of data on wells within area of review

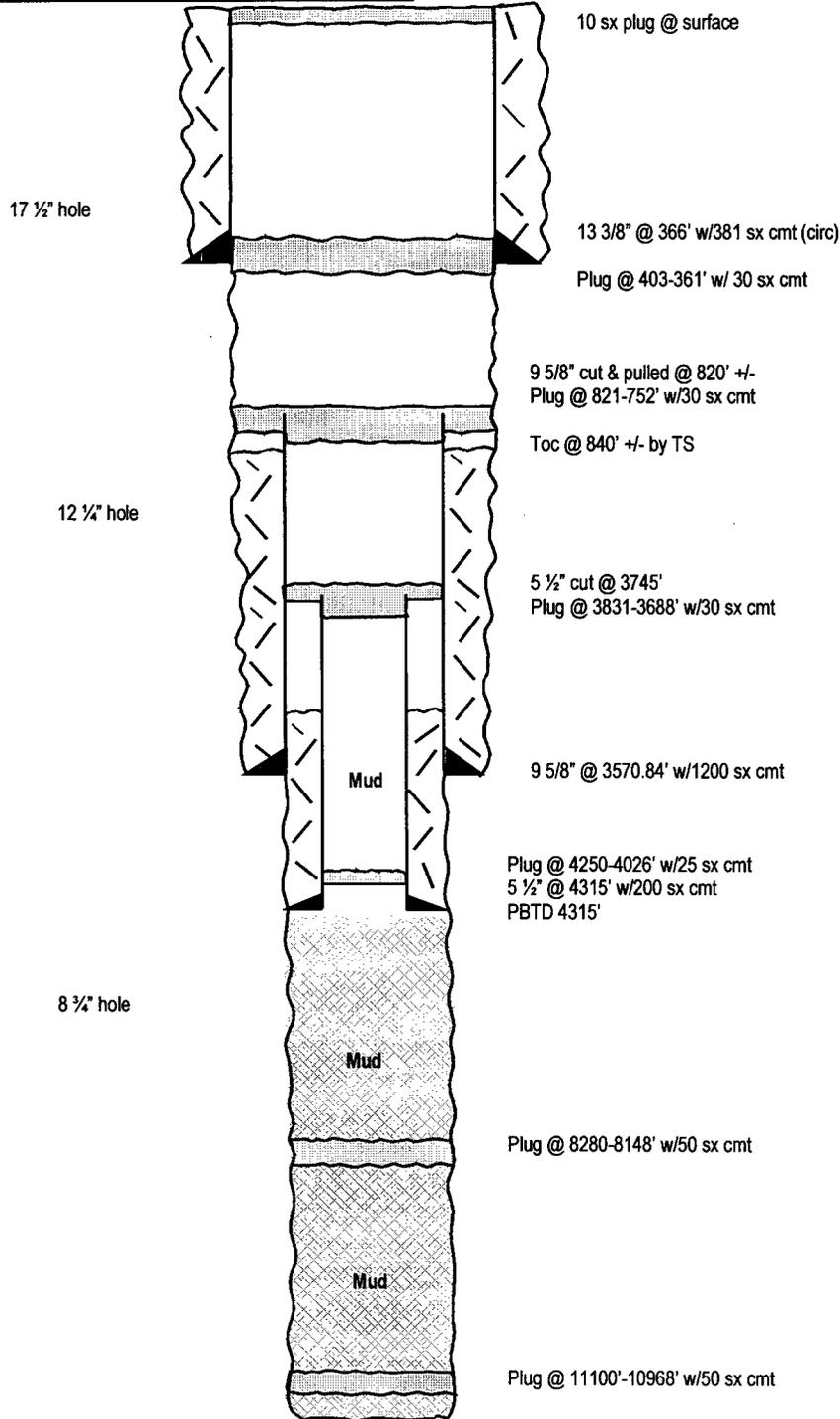
API	Well Name	Well #	Operator Name	Type	Spud Date	Comp Date	Total Depth	Producing Zone	Perforations	Completion Information
30-025-00002	Magnolia State	1	Original Harmon, Jake L	D&A	2/24/1957	5/19/1957	11,130		4215-4234	13 3/8" @ 365 w/381 sx cmt (circ) 9 5/8" @ 3570.84 w/1200 sx cmt 5 1/2" @ 4315 w/200 sx cmt (Calculated TOC @ 3511' +/-)
30-025-25869	Phillips State	1	C. F. Harding	D&A	3/21/1978	9/22/1978	11,084		4210-4270	12 3/4" @ 376 w/400 sx cmt (circ) 8 5/8" @ 3682 w/1025 sx cmt (circ) 4 1/2" @ 4450 w/300 sx cmt (Calculated TOC @ 3559' +/-)

WELL NAME: Bell Petroleum-State B #1 **FIELD:** Undesignated
LOCATION: Unit B 660' FNL & 1980' FEL Sec 3-19S-32E Lea County
GL: 4406' **ZERO:** **KB:** _____
SPUD DATE: 2-24-57 **COMPLETION DATE:** 5-19-57
COMMENTS: P&A 5/19/57 RE Spud 4-19-65 RE Comp 8-9-65
Final P&A 8/10/65 API # 30-025-00002

CASING PROGRAM

13 3/8" 48# H-40 R2 ST&C	366'
9 5/8" 40 & 36# ST&C	3570.84
5 1/2" 15.5# J-55 ST&C	4315'

TOPS	
Anhydrite Perm-Ochoan	1728'
Yates	2282'
Queen	2972'
San Andres D	3465'
Glorieta	4892'
Tubb /SD/	6368'
Abo /SH/	7220'
Wolfcamp	8260'
Mississippian	10440'
Woodford /SH/	10975'
Devonian	11110'



TD 11130'

ATTACHMENT C
Continued

Not to Scale
03/30/04
Cam

WELL NAME: C.F. Harding-Phillips State #1 FIELD: Wildcat

LOCATION: Unit J-2310' S-2248' E, Sec 3 9S-32E Lea County

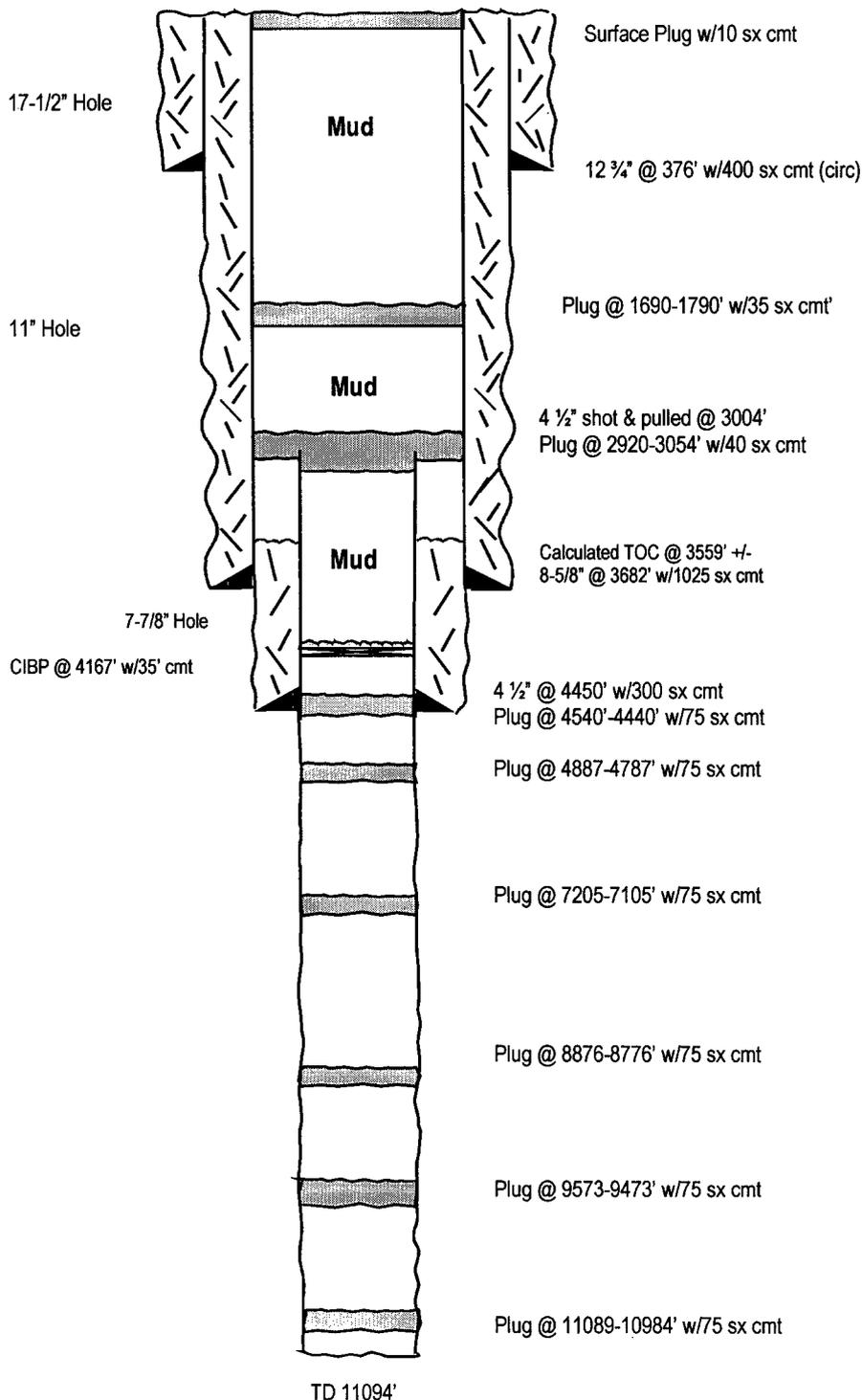
GL: 4416.1' ZERO: KB:

SPUD DATE: 3-21-78 COMPLETION DATE :9-22-78

COMMENTS: P&A 9-22-78

CASING PROGRAM

12 3/4" 49#	376'
8 5/8" 24 & 32#	3682'
4 1/2" 11.60#	4450'



TOPS	
San Andres	3490'
Glorietta	4887'
Clearfork	5690'
Tubb	6363'
Abo	7205'
Wolfcamp	8208'
Cisco (Bough C)	8876'
Ranger Lake	9035'
Canyon	9212'
Strawn	9573'
Atoka	9894'
Miss	10354'
Woodford	10950'
Devonian	11076'

ATTACHMENT C
Continued

Not to Scale
03/30/04
Cam

SCALE TENDENCY REPORT

Company : YATES PETROLEUM CORP Date : MAY 11, 2004
Address : Date Sampled : MAY 11, 2004
Lease : MESCALERO Analysis No. :
Well : #1 Analyst : MONTY GRUBBS
Sample Pt. :

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

S.I. = 0.1 at 70 deg. F or 21 deg. C
S.I. = 0.2 at 90 deg. F or 32 deg. C
S.I. = 0.2 at 110 deg. F or 43 deg. C
S.I. = 0.3 at 130 deg. F or 54 deg. C
S.I. = 0.4 at 150 deg. F or 66 deg. C

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

S = 2851 at 70 deg. F or 21 deg C
S = 3000 at 90 deg. F or 32 deg C
S = 3092 at 110 deg. F or 43 deg C
S = 3111 at 130 deg. F or 54 deg C
S = 3093 at 150 deg. F or 66 deg C

Respectfully submitted,
MONTY GRUBBS



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

WATER ANALYSIS REPORT

Company : YATES PETROLEUM CORP Date : MAY 11, 2004
 Address : Date Sampled : MAY 11, 2004
 Lease : WINDMILL STATE Analysis No. :
 Well : #3 SWD
 Sample Pt. : WINDMILL

ANALYSIS		mg/L		* meq/L
1. pH	7.0			
2. H2S	0			
3. Specific Gravity	1.005			
4. Total Dissolved Solids		5573.1		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	305.0	HCO3	5.0
12. Chloride	Cl	3195.0	Cl	90.1
13. Sulfate	SO4	50.0	SO4	1.0
14. Calcium	Ca	1000.0	Ca	49.9
15. Magnesium	Mg	73.5	Mg	6.0
16. Sodium (calculated)	Na	924.6	Na	40.2
17. Iron	Fe	25.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		2800.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	=	mg/L
+-----+				
50 *Ca <----- *HCO3 5	Ca (HCO3) 2	81.0	5.0	405
----- /-----> -----	CaSO4	68.1	1.0	71
6 *Mg -----> *SO4 1	CaCl2	55.5	43.9	2434
----- <-----/ -----	Mg (HCO3) 2	73.2		
40 *Na -----> *Cl 90	MgSO4	60.2		
+-----+	MgCl2	47.6	6.0	288
Saturation Values Dist. Water 20 C	NaHCO3	84.0		
CaCO3 13 mg/L	Na2SO4	71.0		
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	40.2	2350
BaSO4 2.4 mg/L				

REMARKS:

SCALE TENDENCY REPORT

Company : YATES PETROLEUM CORP Date : MAY 11, 2004
Address : Date Sampled : MAY 11, 2004
Lease : WINDMILL STATE Analysis No. :
Well : #3 SWD Analyst : MONTY GRUBBS
Sample Pt. : WINDMILL

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

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

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

S = 1168 at 70 deg. F or 21 deg C
S = 1202 at 90 deg. F or 32 deg C
S = 1214 at 110 deg. F or 43 deg C
S = 1202 at 130 deg. F or 54 deg C
S = 1181 at 150 deg. F or 66 deg C

Respectfully submitted,
MONTY GRUBBS

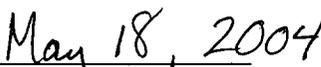
Attachment F

**C-108 Application for Authorization to Inject
State "3" SWD #1
2310' FNL & 1980 FEL
Section 3-9S-32E
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.



Alec Mauritsen
Geologist
Yates Petroleum Corporation



Date

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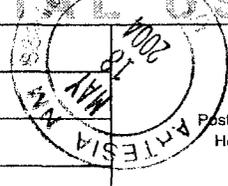
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Restricted Delivery Fee (Endorsement Required)		4.65
Total		

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COMMISSIONER OF PUBLIC LANDS
Pete Martinez
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Santa Fe, New Mexico 87504-1148

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State 3845

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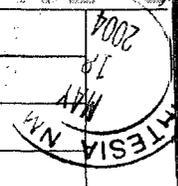
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Total Postage & Fees		\$ 5.34

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State 3852

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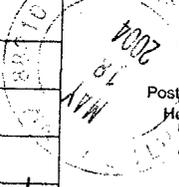
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Cherry Matchus
State 3869

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 once a week in the regular and entire issue of said paper, and not a supplement thereof for a period

of 1 weeks.

Beginning with the issue dated April 4 2004 and ending with the issue dated April 4 2004

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 5th day of

April 2004

Janey M. Haines
Notary Public.

My Commission expires November 27, 2004



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 NOTICE
April 4, 2004
Yates Petroleum Corporation 105 S. 4th Street, Artesia, New Mexico 88210, has filed form C-108 (application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking Administrative Approval for Rein-statement of an existing injection Well. The well the State "3" SWD #1, located in Unit G, Section 3, T9S-R32E, Lea County, New Mexico, will be used for Salt Water Disposal Disposal Waters from the Devonian into the Mississippian & Devonian at a depth of 10691'-11242' a maximum pres-sure of 1000 psi and a maximum rate of 4000 BWPD.
All interested parties opposing the fore mentioned must file objections or request for a hearing with the Oil Conserva-tion Division 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505-5472. Within 15 days Additional infor-mation can be obtained by contacting Sam Brandon at (505) 748-4281. Published in the Hobbs News Sun, Hobbs, New Mexico 88240 March 28, 2004.
20544

01101029000 67521024
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

ATTACHMENT H