MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



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

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

September 23, 2002

Mr. Will Jones Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

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Dear Mr. Jones:

This letter is to address the deficiencies for our Administrative Application for SWD for the Archimedes ARE State Com No. 1 in Section 18, T21S, R24E, Eddy County, New Mexico which were enumerated in your letter of September 14, 2002.

- 1.) Our application was erroneously made with the well name Archimedes SWD Well No. 1. It should have been in the well's name of record, Archimedes ARE State Com No. 1. I am enclosing documents with the correct well name and ask that you substitute them with the documents with the incorrect name. The public notice has been re-run with the correct name (and correct OCD address) and the offset lease operators have been re-notified.
- 2.) Fasken Oil & Ranch Ltd has been provided notice by certified mail.

3.) The public notice has been re-run with the correct OCD address.

4.) See attached letter of explanation.

Thank you for your assistance in this matter. If you have any additional questions, please call me at (505) 748-4281.

Sincerely,

Sam Brandon Operations Engineer

Enclosures

September 19, 2002

Re: Archimedes ARE State Com No. 1

Yates Petroleum Corporation has an existing SWD permit for the subject well to dispose water from the Canyon formation into the Devonian formation. We are applying for permission to inject into the Canyon formation in the same well in order to reduce costs associated with preparing the well for SWD service. Disposal into the Canyon will reduce costs associated with the required cement squeezes and will eliminate the cost of deepening and casing the well.

If for some reason the application to dispose water into the Canyon is not approved, we will proceed with the required well work and dispose water into the Devonian.

na

Sam Brandon Operations Engineer

Affidavit of Publication NO. 17860							
STATE OF NEW MEXICO							
County of Eddy:							
Gary D. Scott being duly							
sworn, says: That he is the <b>Publisher</b> 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 September 20 2002							
Second Publication							
Third Publication							
Fourth Publication							
Nam Nott							
Subscribed and sworn to before me this							
20th day of September 2002							
Britaine On Boans							
Notary Public, Eddy County, New Mexico							
My Commission expires September 23, 2003							

# **Copy of Publication:**

and the second s
LEGAL NOTICE
YatesPetroleum
Yates -Petroleum- Corporation, 105 South
Fourth Street, Artesia, NM
88210, has filed form C-108
(Application for
Authorization to Inject) with
the New Mexico Oil
Conservation Division
aseeking administrative
approval for an injection
well. The proposed well, the
"Archimedes ARE State
Com No, 1" located 1650'
FSL & 1980' FEL of Section
18, Township 21 South,
Range 24 East of Eddy
County, New Mexico, will be
band for calt water disposal
used for salt water disposal.
Disposal waters from the
<sup>3</sup> Canyon will be re-injected

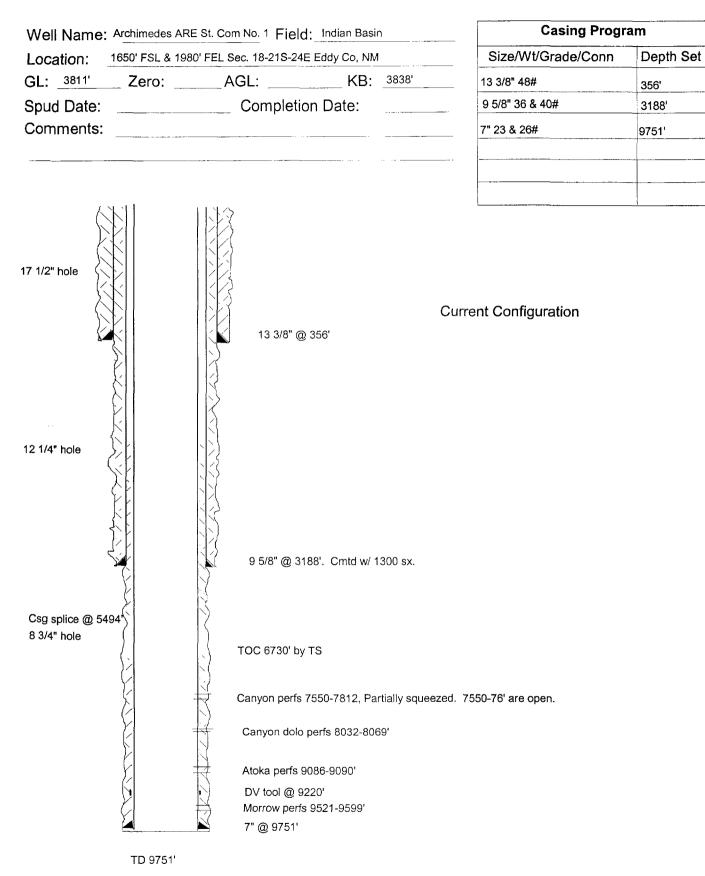
1

into the Canyon at a depth of approximately 8032'-8150' with a maximum pressure of 2000 psi and a maximum rate of 25,000 BWPD.

parties All interested opposing the aforementioned must file atorementioned must file objections or requests for a hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days. Additional information can be obtained by contacting Sam Brandon by contacting Sam Brandon at (505) 748-4281.

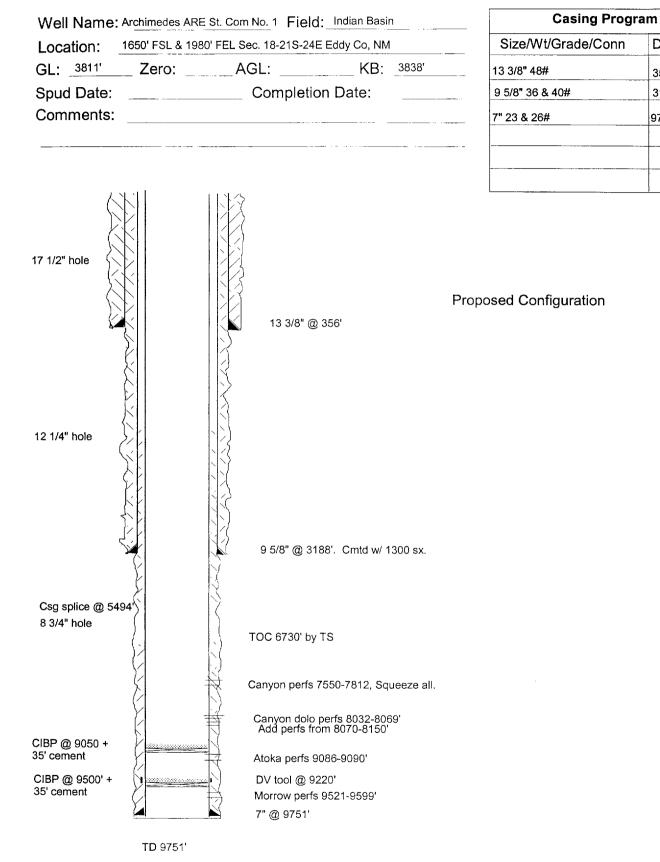
Published in the Artesia Daily Press, Artesia, N.M. September 20, 2002.

Legal 17860



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DATE:



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DATE:\_\_\_\_\_

Depth Set

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3188'

9751'

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YATES PETROLEUM CORPORATION ARCHIMEDES ARE STATE COM NO. 1 PROPOSED SALT WATER DISPOSAL WELL SEC 18-T21S-R24E 1650' FSL & 1980' FEL EDDY COUNTY, NEW MEXICO

ATTACHMENT B

#### Attachment F

C-108 Application for Authorization to Inject Yates Petroleum Corporation Archimedes ARE State Com No. 1 Section 18, T-21S-R24E Eddy County, New Mexico

Available engineering and geologic 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.

nl

John Humphrey Geologist Yates Petroleum Corporation

9/19/02

Date

### Yates Petroleum Corporation Archimedes ARE State Com No. 1 18-21S-24E

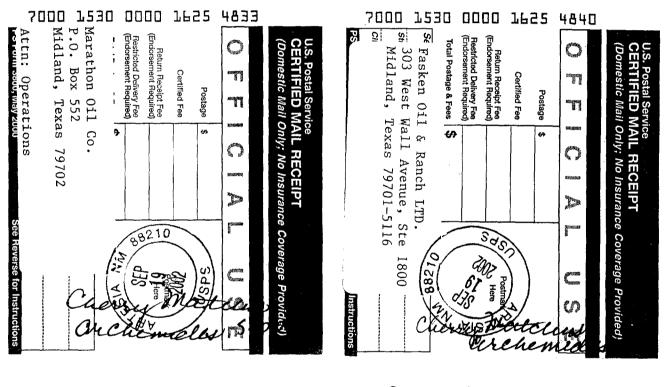
## Attachment A

Page 1

#### III. Well Data A. 1.

. . .

- Lease Name/Location Archimedes ARE State Com No. 1 18-21S-24E 1650' FSL & 1980' FEL
  - 2. Casing Strings:
    - a. Proposed well condition: 13 <sup>3</sup>/<sub>8</sub>" 48#, H40 ST&C at 356'
      9 <sup>5</sup>/<sub>8</sub>" 36 & 40# at 3188'
      7"23# J-55, 26# & 23# N-80 at 9751'
      4<sup>1</sup>/<sub>2</sub>" Plastic coated tubing (proposed) set at 8000' ±
  - 3. Propose to use Guiberson or Baker plastic-coated or nickel-plated packer set at 8000'±.
- B. 1. Injection Formation: Canyon
  - 2. Injection interval into cased hole perforations 8032'- 8150'.
  - 3. Well was originally drilled as a Morrow well with perforations at 9521'-9599'. Additional zones were perforated at 9086'-9090', 8032'-8069' and 7550'-7812'. All open perforations above 8000' will be cement squeezed and pressure tested to ensure complete shut-off. Perforations below 8150' will be abandoned with CIBP and cement.
  - 4. Next higher (shallower) oil or gas zone within 2 miles Canyon Next lower (deeper) oil or gas zone within 2 miles Morrow.



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sont with correct adhes NMOCD - after lotter for Well - Name Will Jones.