

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
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DENNIS G. KINSEY
TREASURER

September 23, 2002

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



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

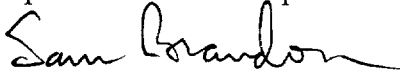
Enclosures

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.

A handwritten signature in black ink, appearing to read "Sam Brandon". The signature is fluid and cursive, with a long horizontal stroke at the end.

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 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 September 20 2002

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

20th day of September 2002

Bonnie Ann Boone
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

Copy of Publication:

LEGAL NOTICE

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 seeking 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 used for salt water disposal. Disposal waters from the Canyon will be re-injected

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.

All interested parties opposing the aforementioned 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 at (505) 748-4281.

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

Legal 17860

Well Name: Archimedes ARE St. Com No. 1 Field: Indian Basin

Location: 1650' FSL & 1980' FEL Sec. 18-21S-24E Eddy Co, NM

GL: 3811' Zero: AGL: KB: 3838'

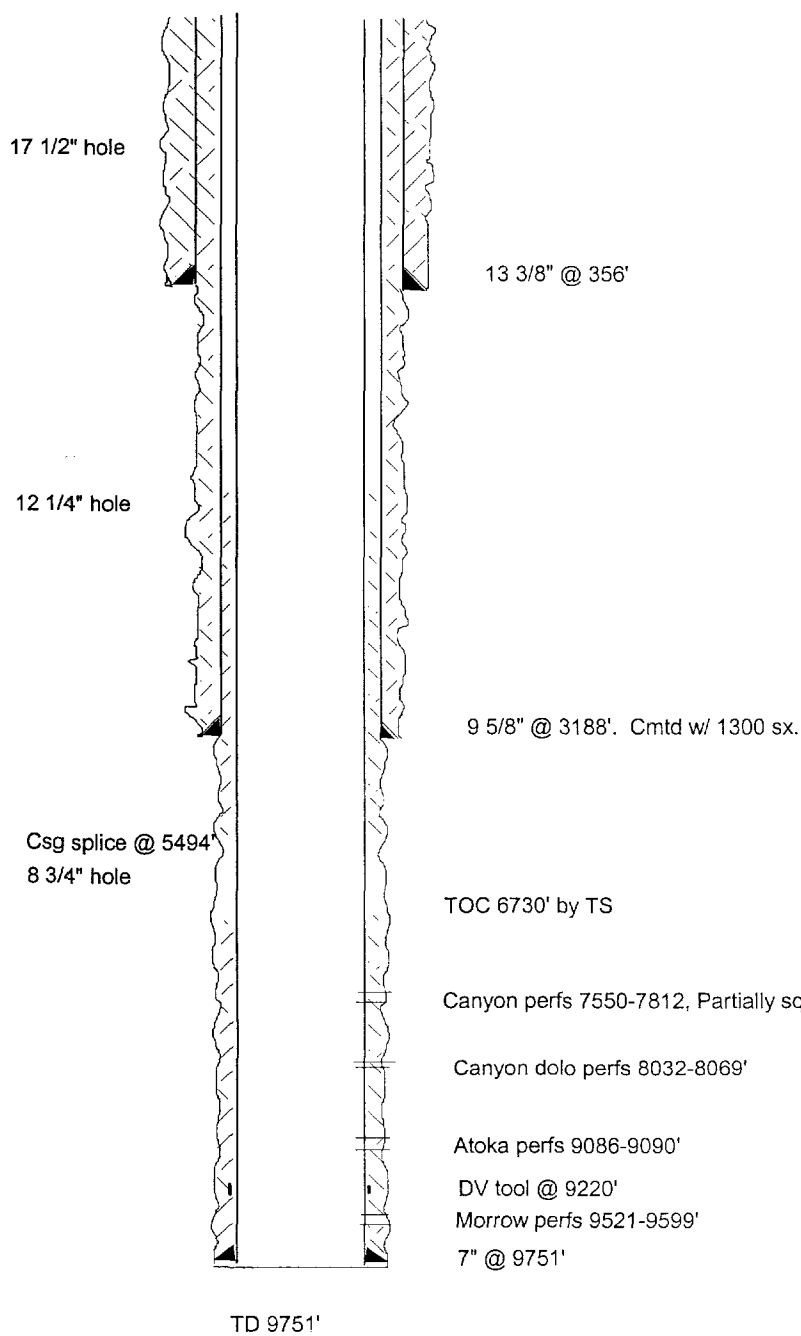
Spud Date: Completion Date:

Comments:

Casing Program

Size/Wt/Grade/Conn	Depth Set
13 3/8" 48#	356'
9 5/8" 36 & 40#	3188'
7" 23 & 26#	9751'

Current Configuration



SKETCH NOT TO SCALE

DATE: _____

Well Name: Archimedes ARE St. Com No. 1 Field: Indian Basin

Location: 1650' FSL & 1980' FEL Sec. 18-21S-24E Eddy Co, NM

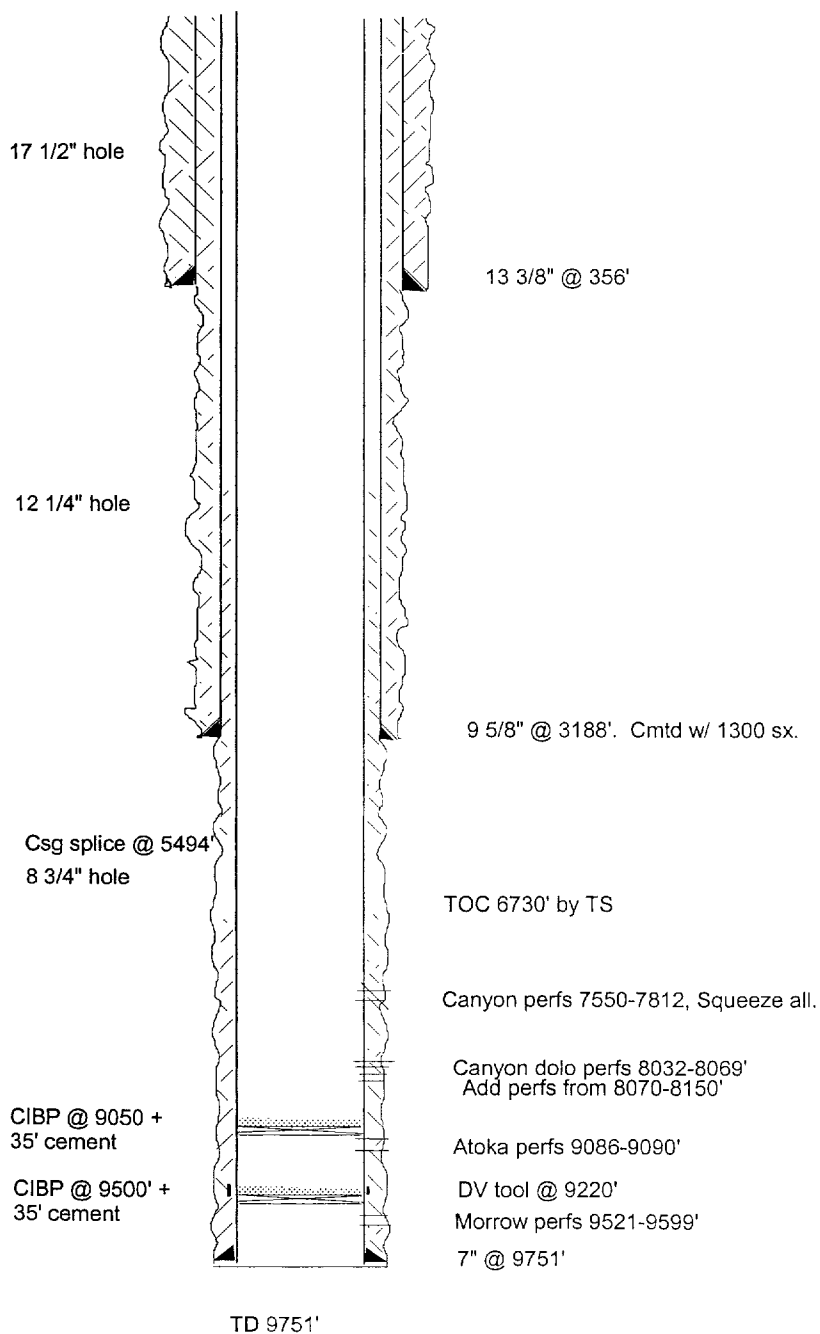
GL: 3811' Zero: AGL: KB: 3838'

Spud Date: Completion Date:

Comments:

Casing Program

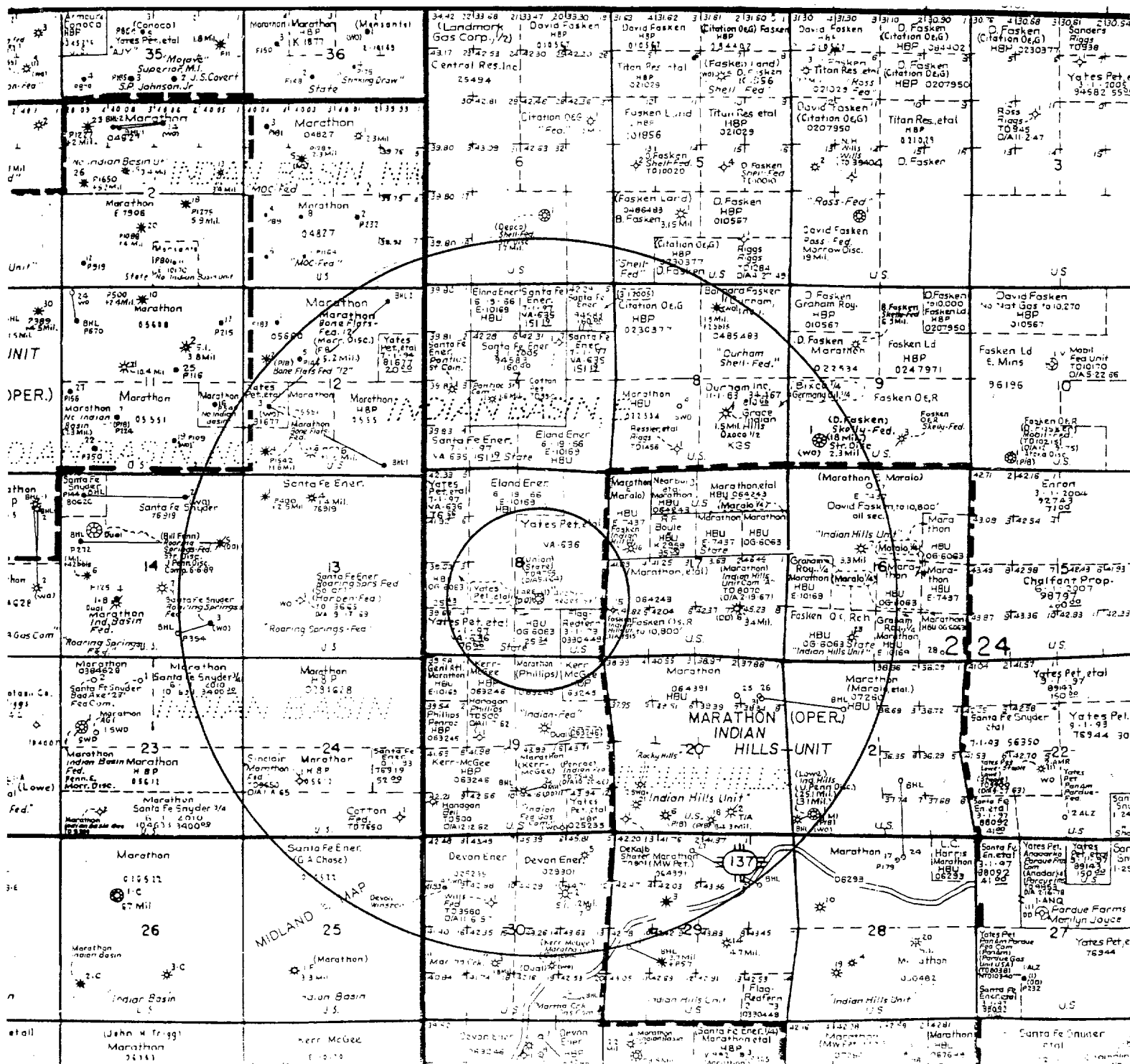
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48#	356'
9 5/8" 36 & 40#	3188'
7" 23 & 26#	9751'



Proposed Configuration

SKETCH NOT TO SCALE

DATE: _____

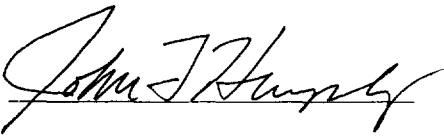


YATES PETROLEUM CORPORATION
 ARCHIMEDES ARE STATE COM NO. 1
 PROPOSED SALT WATER DISPOSAL WELL
 SEC 18-T21S-R24E
 1650' FSL & 1980' FEL
 EDDY COUNTY, NEW MEXICO

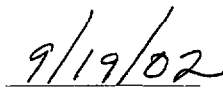
Attachment F

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.



John Humphrey
Geologist
Yates Petroleum Corporation



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 3/8" 48#, H40 ST&C at 356'
9 5/8" 36 & 40# at 3188'
7" 23# J-55, 26# & 23# N-80 at 9751'
4 1/2" 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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 (Domestic Mail Only; No Insurance Coverage Provided)

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Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
 SEP 19 2002
 01288
Cherry Mountain Archimed

St Fasken Oil & Ranch LTD.
 303 West Wall Avenue, Ste 1800
 Midland, Texas 79701-5116
 PS Instructions

7000 1530 0000 1625 4840

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

SEP 19 2002
 88210
Cherry Mountain Archimed

Marathon Oil Co.
 P.O. Box 552
 Midland, Texas 79702

Attn: Operations
 See Reverse for Instructions

7000 1530 0000 1625 4833

There are
 Notices sent with correct
 NMOC address and converted
 Well Name after letter from
 well person.