

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: Yates Petroleum Corporation
Address: 105 S. 4th Street, Artesia, NM 88210
Contact party: Jim Brown Phone: (505) 748-1471
- 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 ☒ 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 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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: Jim Brown Title: Operations Engineering Supervisor
- Signature: *Jim Brown* Date: February 5, 1992
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division

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 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, P. O. Box 2088, Santa Fe, New Mexico 87501 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
Red Hat SWD #1
O 2-16S-33E
Lea County, New Mexico

- I. The purpose of completing this well is to make a disposal well for produced San Andres water into the San Andres and Glorieta.
- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Jim Brown (505) 748-1471
- III. Well Data: See Attachment A
- IV. This is not an expansion of an existing project.
- V. See attached map, Attachment B
- VI. No wells within the area of review penetrate the proposed injection zone.
- VII.
 - 1. Proposed average daily injection volume approximately 4000 BWPd.
Maximum daily injection volume approximately 10,000 BWPd.
 - 2. This will be a closed system.
 - 3. Proposed average injection pressure-900 psi
Proposed maximum injection pressure--1150 psi.
 - 4. Sources of injected water would be produced water from the San Andres formation from nearby wells.
(See Attachment C)
 - 5. See Attachment C.
- VIII.
 - 1. The proposed injection interval is the San Andres and Glorieta formations from 5805'-5818' and 5900'-5920'.
 - 2. Ogallala zones overlies the proposed injection formations at depths to approximately 300' feet.
- IX. The proposed disposal intervals will be acidized with 2,000 gallons of 15 HCL.
- X. Well logs have been filed with the Division.

Application for Authorization to Inject
Red Hat SWD #1

-2-

- XI. 3 water wells exists within a one mile radius of the subject location. (Attachment D) Water analyses are attached.
- XII. Yates Petroleum Corporation has examined geologic and engineering data and has found that there is no evidence of faulting in the proposed interval.
- XIII. Proof of Notice
 - A. Certified letters sent to the surface owner and offset operators-attached. (Attachment E)
 - B. Copy of legal advertisement attached. (Attachment F)
- XIV. Certification is signed.

Yates Petroleum Corporation
Red Hat SWD #1
O 2-T16S-R33E

Attachment A

Page 1

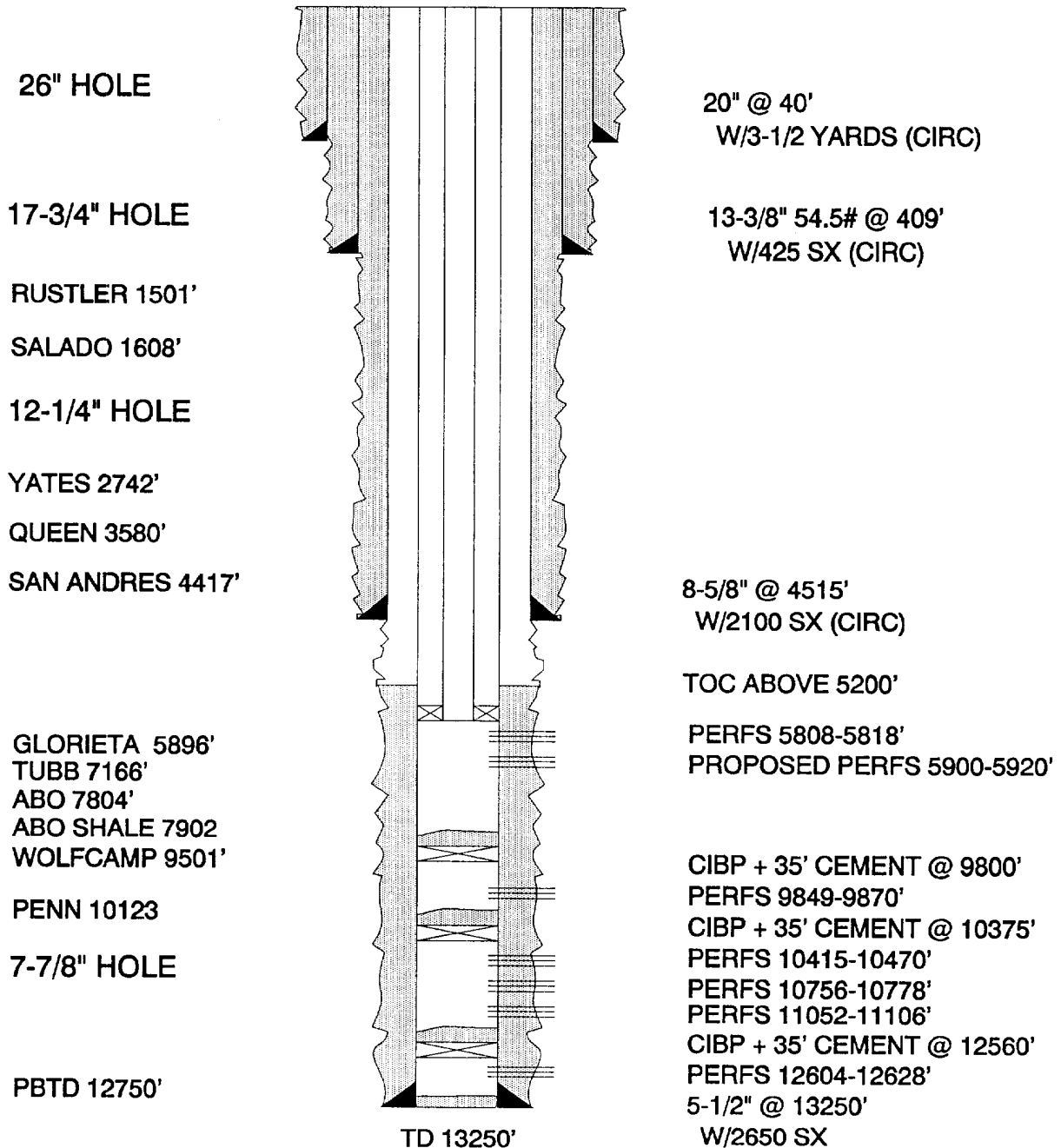
III. Well Data

- A. 1. Lease Name/Location:
Red Hat SWD #1
O 2-T16S-R33E
3300' FSL & 1980' FEL
2. Casing Strings:
a. Present Well Condition
13 3/8 54.5 #J-55 @ 409'
8-5/8" 32#, S-80 and J-55 @ 4515'
5 1/2" 17# and 20# N-80 and S-95
@ 13,250'. Cemented with 2650 sx
cement in two stages. Top of
cement above 5200', determined by cement
bond log.

TD: 13,250'
3. Tubing:
Propose to use 2 7/8" 6.5# J-55 plastic-
coated tubing set at 5700'.
4. Packer:
Propose to use Guiberson Uni VI or Baker
plastic-coated or nickel-plated packer set
at 5700'.
- B. 1. Injection Formation: Lower San Andres/Glorieta
2. Injection Interval will be through perfora-
tions from approximately 5808'-5818' and
5900'-5920'.
3. Well was originally drilled as an exploratory
oil well, earlier in 1991.
4. Other Perforated Intervals:
9849'- 9870' Wolfcamp
10415'-10470' Penn
10756'-10778' Canyon
11052'-11106' Canyon
12604'-12628' Atoka

5. Next higher (shallower) oil or gas zone within the area of review--None
Next lower (deeper) oil or gas zone within the area of review--Wolfcamp 9849'.

ATTACHMENT A
PROPOSED SWD WELLBORE SCHEMATIC
YATES PETROLEUM CORPORATION
RED HAT SWD #1
SEC. 2-T16S-R33E
LEA COUNTY, NEW MEXICO



WILL COMPLETE FOR SALT-WATER DISPOSAL WITH 2-7/8" 6.5# J-55 PLASTIC-COATED TUBING AND GUIBERSON UNI VI OR BAKER PLASTIC-COATED OR NICKEL-PLATED PACKER @ 5700'.
 PROPOSE TO INJECT CANYON PRODUCED WATERS INTO THE SAN ANDRES AND GLORIETA FORMATIONS FROM APPROXIMATELY 5808-5818' AND 5900-5920'.

ATTACHMENT C
THE WESTERN COMPANY OF NORTH AMERICA
WATER ANALYSIS

ANALYSIS NO: 920203C

GENERAL INFORMATION

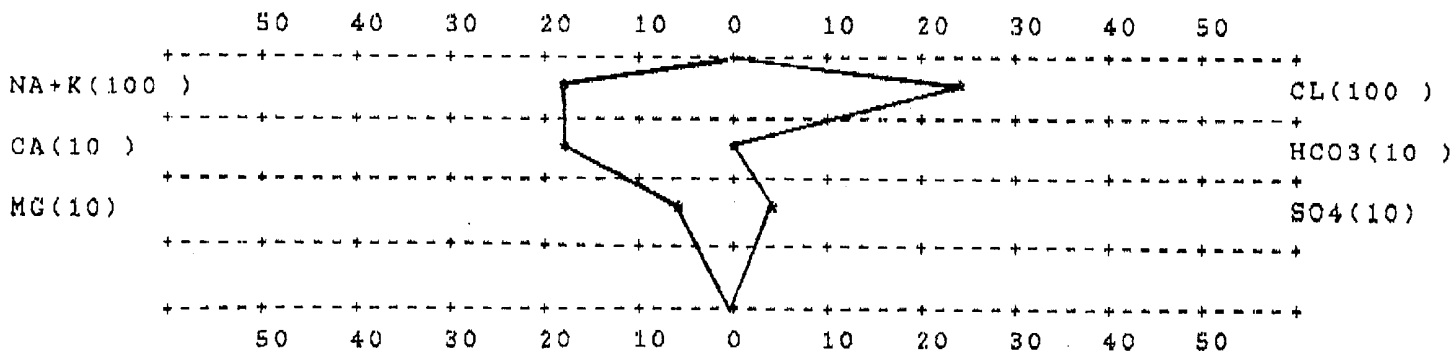
OPERATOR:	YATES PET.	DEPTH:	+/-5700'
WELL:	EIDSON RANCH UNIT#1	DATE SAMPLED:	2-3-92
FIELD:	EIDSON RANCH UNIT	DATE RECEIVED:	2-3-92
FORMATION:	SAN ANDRES	SUBMITTED BY:	RAY STALL
COUNTY:	EDDY	WORKED BY:	SHEPHERD
STATE:	NM	PHONE:	505-392-5556

SAMPLE DESCR: POST TREATMENT ANALYSIS.

PHYSICAL AND CHEMICAL DETERMINATIONS

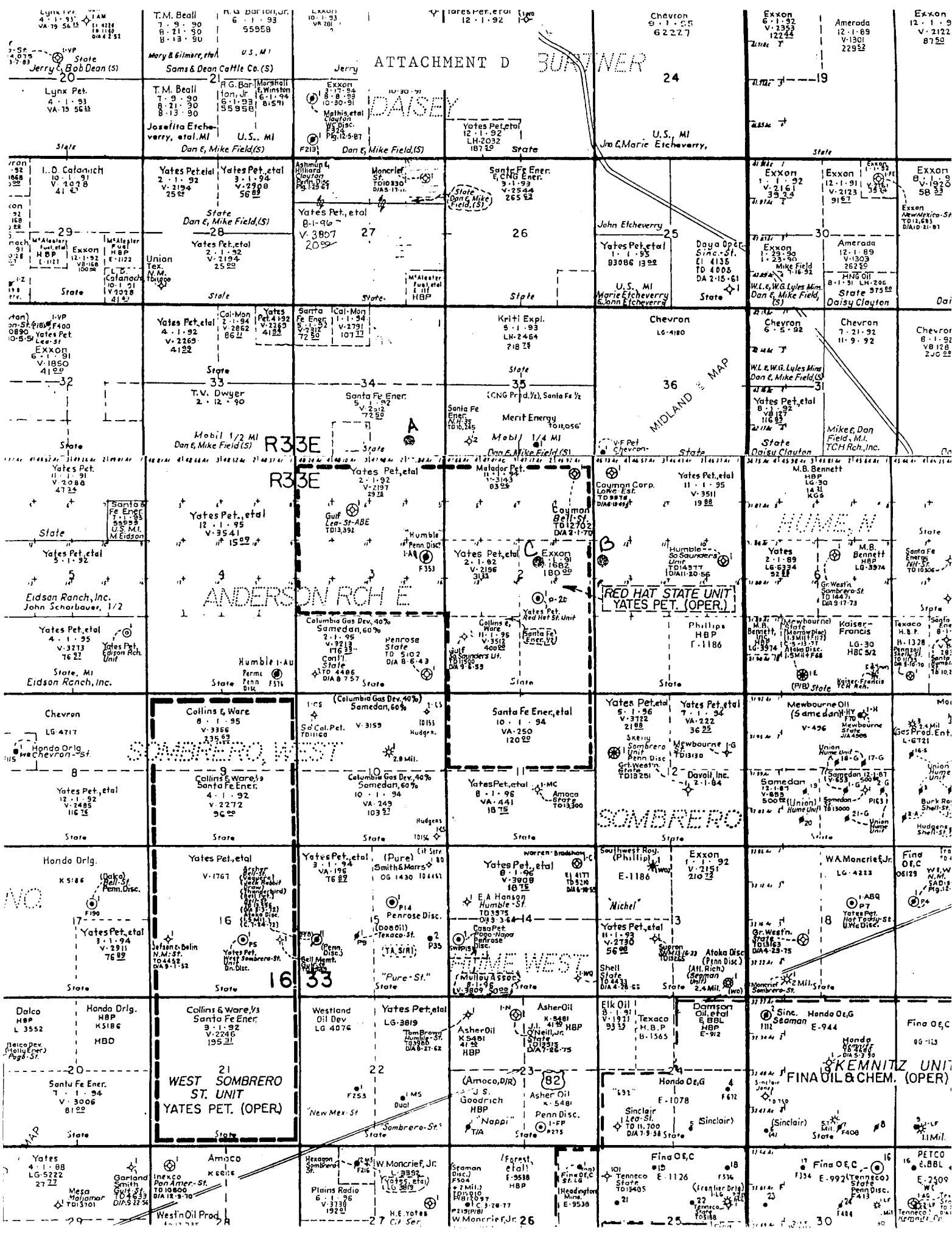
SPECIFIC GRAVITY:	1.110	AT	69 DEG. F	PH =	6.05
IRON:	NOT DETERMINED	SULFATE:		2297	PPM
FE2+:	+/- 3	CHLORIDE:		87368	PPM
SODIUM+POTASS:	52837	SODIUM CHLORIDE (CALC):		144025	PPM
	PPM	BICARBONATE:		385	PPM
CALCIUM:	3319	TOT. HARDNESS AS CaCO3:		10911	PPM
MAGNESIUM:	635	TOT. DISSOLVED SOLIDS:		153797	PPM
PHOSPHATE:	NOT DETERMINED				
RESISTIVITY (CALCULATED):	0.054 OHM/METER @ 75 DEGREES F.				
REMARKS:	NO KCL IN SAMPLE.				
	OIL GRAV. IS 26.8 API CORRECTED TO 60°F.				

STIFF TYPE PLOT (IN MEQ/L)



ANALYST

Shepherd
SHEPHERD



ATTACHMENT D BURNER

DAISEY

24

19

U.S. MI

Jma & Marie Etcheverry,

State

Yates Pet, etal

U.S. MI

Marie Etcheverry

John Etcheverry

Yates Pet, etal

U.S. MI

Marie Etcheverry

John Etcheverry

Yates Pet, etal

U.S. MI

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John Etcheverry

Yates Pet, etal

U.S. MI

Marie Etcheverry

John Etcheverry

MIDLAND MAP

R33E

R33E

ANDERSON RCH E

RED HAT STATE UNIT

YATES PET. (OPER.)

SOMBRERO, WEST

SOMBRERO

NO

TIME WEST

WEST SOMBRERO ST. UNIT

YATES PET. (OPER)

KEMNITZ UNIT

FINA OIL & CHEM. (OPER)

TRETOLITL

Chemicals and Services

ATTACHMENT D

Well B

PETROLITE

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box FF
Artesia, New Mexico 88210
(505) 746-3588 Phone
(505) 746-3580 Fax

WATER ANALYSIS REPORT

Company : YATES PETROLEUM
Address : ARTESIA, NM
Lease : WINDMILL
Well : NORTHEAST
Sample Pt. : WELLHEAD

Date : 12/13/91
Date Sampled : 12/13/91
Analysis No. : 002

ANALYSIS	mg/L	* meq/L
1. pH	7.8	
2. H2S	0	
3. Specific Gravity	1.000	
4. Total Dissolved Solids	1458.7	
5. Suspended Solids		
6. Dissolved Oxygen		
7. Dissolved CO2		
8. Oil In Water		
9. Phenolphthalein Alkalinity (CaCO3)		
10. Methyl Orange Alkalinity (CaCO3)		
11. Bicarbonate	HCO3 171.0	HCO3 2.8
12. Chloride	Cl 511.0	Cl 14.4
13. Sulfate	SO4 250.0	SO4 5.2
14. Calcium	Ca 64.0	Ca 3.2
15. Magnesium	Mg 4.9	Mg 0.4
16. Sodium (calculated)	Na 432.8	Na 18.8
17. Iron	Fe 0.0	
18. Barium	Ba 25.0	
19. Strontium	Sr 0.0	
20. Total Hardness (CaCO3)	180.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
3 *Ca <----- *HCO3	Ca(HCO3)2	81.0	227
0 *Mg <-----> *SO4	CaSO4	68.1	27
19 *Na <-----> *Cl	CaCl2	55.5	
	Mg(HCO3)2	73.2	
	MgSO4	60.2	24
	MgCl2	47.6	
	NaHCO3	84.0	
	Na2SO4	71.0	313
	NaCl	58.4	842

Saturation Values Dist. Water 20 C
CaCO3 13 mg/L
CaSO4 * 2H2O 2090 mg/L
BaSO4 2.4 mg/L

REMARKS:

L. MALLET / MLAB / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
STEVE TIGERT

SCALE TENDENCY REPORT -----

Company	: YATES PETROLEUM	Date	: 12/13/91
Address	: ARTESIA, NM	Date Sampled	: 12/13/91
Lease	: WINDMILL	Analysis No.	: 002
Well	: NORTHEAST	Analyst	: STEVE TIGERT
Sample Pt.	: WELLHEAD		

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

S.I. =	0.2	at	80 deg. F	or	27 deg. C
S.I. =	0.3	at	100 deg. F	or	38 deg. C
S.I. =	0.4	at	120 deg. F	or	49 deg. C
S.I. =	0.5	at	140 deg. F	or	60 deg. C
S.I. =	0.5	at	160 deg. F	or	71 deg. C

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

S =	1217	at	80 deg. F	or	27 deg C
S =	1207	at	100 deg. F	or	38 deg C
S =	1198	at	120 deg. F	or	49 deg C
S =	1189	at	140 deg. F	or	60 deg C
S =	1136	at	160 deg. F	or	71 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
STEVE TIGERT

TRETOLIT

Chemicals and Services

ATTACHMENT D
Well C

PETROLITE

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box FF
Artesia, New Mexico 88210
(505) 746-3588 Phone
(505) 746-3580 Fax

WATER ANALYSIS REPORT

Company : YATES PETROLEUM
Address : ARTESIA, NM
Lease : WINDMILL (NORTH)
Well : NORTH
Sample Pt. : WELLHEAD

Date : 12/13/91
Date Sampled : 12/13/91
Analysis No. : 001

ANALYSIS		mg/L	* meq/L	
-----		----	-----	
1.	pH	7.5		
2.	H2S	0		
3.	Specific Gravity	1.000		
4.	Total Dissolved Solids	587.2		
5.	Suspended Solids			
6.	Dissolved Oxygen			
7.	Dissolved CO2			
8.	Oil In Water			
9.	Phenolphthalein Alkalinity (CaCO3)			
10.	Methyl Orange Alkalinity (CaCO3)			
11.	Bicarbonate	HCO3 158.0	HCO3	2.6
12.	Chloride	Cl 107.0	Cl	3.0
13.	Sulfate	SO4 125.0	SO4	2.6
14.	Calcium	Ca 68.0	Ca	3.4
15.	Magnesium	Mg 7.3	Mg	0.6
16.	Sodium (calculated)	Na 96.9	Na	4.2
17.	Iron	Fe 0.0		
18.	Barium	Ba 25.0		
19.	Strontium	Sr 0.0		
20.	Total Hardness (CaCO3)	200.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter				Compound				Equiv wt X meq/L =		mg/L
+-----+				-----				-----		-----
3	*Ca <-----	*HCO3	3	Ca(HCO3)2	81.0	2.6	210			
	/----->			CaSO4	68.1	0.8	55			
1	*Mg <-----	*SO4	3	CaCl2	55.5					
	<-----/			Mg(HCO3)2	73.2					
4	*Na <-----	*Cl	3	MgSO4	60.2	0.6	36			
+-----+				MgCl2	47.6					
Saturation Values Dist. Water 20 C				NaHCO3	84.0					
CaCO3		13 mg/L		Na2SO4	71.0	1.2	85			
CaSO4 * 2H2O		2090 mg/L		NaCl	58.4	3.0	176			
BaSO4		2.4 mg/L								

REMARKS:

----- L. MALLETT / MLAB / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
STEVE TIGERT

ATTACHMENT E

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

February 5, 1992

CERTIFIED RETURN RECEIPT

State of New Mexico
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, NM 87501

Dear Sir,

Enclosed please find our application for authorization to inject for the Red Hat SWD #1 located in Section 2-16S-33E of Lea County.

If you have any questions, you may contact me at (505) 748-1471 Ext. 167. Thank you.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosures

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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SECRETARY
DENNIS G. KINSEY
TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Plains Radio Petroleum Company
P. O. Box 9354
Amarillo, TX 79105

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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



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

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EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Matador Petroleum Corporation
8340 Meadow Road
St. 158, Pecan Creek
Dallas, TX 75231

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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FRANK W. YATES
1936 - 1986



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SECRETARY
DENNIS G. KINSEY
TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Exxon Corporation
P. O. Box 1600
Midland, TX 79702

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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



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SECRETARY
DENNIS G. KINSEY
TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Santa Fe Energy Resources, Inc.
550 W. Texas, St. 1330
Midland, TX 79701

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E , Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

A handwritten signature in cursive script that reads 'Jim Brown'.

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

February 5, 1992

CERTIFIED RETURN RECEIPT

Collins & Ware, Inc.
303 W. Wall Ave., St. 2200
Midland, TX 79701

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

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TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Dan Field
P. O. Box 1105
Lovington, NM 88260

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E , Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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SECRETARY
DENNIS G. KINSEY
TREASURER

February 5, 1992

CERTIFIED RETURN RECEIPT

Charles R. Martin, Inc.
P. O. Box 706
Artesia, NM 88210

Dear Sir,

Enclosed please find a copy of form C-108 (Application for Authority to Inject) on Yates' Red Hat SWD #1 located in Unit O of Section 2-16S-33E, Lea County, New Mexico.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

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1912 - 1985
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DENNIS G. KINSEY
TREASURER

February 5, 1992

Hobbs News Sun
503 W. Main
Hobbs, NM 88240

Gentlemen,

Yates Petroleum Corporation desires to place a public notice in your newspaper for one day. The notice is enclosed.

Please place this notice in your paper on Friday, February 14, 1992 and forward a copy of it along with your billing as soon as possible to:

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
Attn: Jim Brown

If you have any questions, please contact me at 748-1471, Ext. 167. Thank you for your cooperation in this matter.

Sincerely,

Jim Brown
Operations Engineering Supervisor

JB/th

Enclosure

Attachment F

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 "Red Hat SWD #1" located 3300' FSL & 1980' FEL of Section 2, Township 16 South, Range 33 East of Lea County, New Mexico, will be used for saltwater disposal. Disposal waters from the Wolfcamp will be re-injected into the Delaware formation at a depth of 5746'-5870' feet with a maximum pressure of 1100 psi and a maximum rate of 10,000 BWPD.

All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501, within 15 days. Additional information can be obtained by contacting Jim Brown at (505) 748-1471.