

C-108
Application For Authorization To Inject
Yates Petroleum Corporation
Lusk "AHB" Federal #4
C 35-19S-32E
Lea County, New Mexico

- I. The purpose of completing this well is to make a disposal well for produced Delaware Sand water into the Delaware Sand formation.

Yates Petroleum plans to convert this well to a water disposal well into the Delaware Sand. This well was originally drilled to test the Delaware Sand. The well was completed in the Delaware Sand as an unsuccessful, uneconomic well. The well tested 5 BOPD and 400 BWPD.

- II. Operator: Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Brian Collins (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. See attached well data and wellbore sketches.
(Attachment C)

- VII. 1. Proposed average daily injection volume approximately 1500 BWPD.
Maximum daily injection volume approximately 5,000 BWPD.
2. This will be a closed system.
3. Proposed average injection pressure-unknown
Proposed maximum injection pressure--947 psi.
4. Sources of injected water would be produced water from the Delaware Sand. (See Attachment D)
5. See Attachment D.