

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

August 20, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87507

Attention: Mr. Bob Stovall

RECEIVED
AUG 21 1991
OIL CON. DIV
DIST. 3

Re: State Lease VC-008
A Section 36, T23N-R6W
Sandoval County, New Mexico

Gentlemen:

Pursuant to our telephone conversation, Yates Petroleum Corporation has no objection to New Mexico Oil Conservation Division using the oil which is presently located in tanks associated with the #36-1 Gulf State previously operated by Lobo Production Company for the purpose of cleaning up oil spill presently on location. Since we are the owner of the State Oil and Gas Lease, it is our understanding that we will continue to have the right to re-enter, workover and/or produce this well in the future.

Yates Petroleum Corporation assumes no liability for the spill which was existing at the time of issuance of the lease or the clean-up of said spill. Please advise us when you have finished the clean-up of the spill to your satisfaction. Should you require anything further, please do not hesitate to contact me.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

RGP/mw

cc: New Mexico Oil Conservation Division
Attention: Mr. Dennie Foust



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 26, 1991

Energy Minerals and Natural Resources Dept.
Oil Conservation Division
District 3, 1000 Rio Brazos Road
Aztec, New Mexico 87410

To Whom It May Concern:

District 3 of the Oil Conservation Division is hereby authorized access to an oil spill site located within the NE¹/4NE¹/4 of Section 36, Township 23 North, Range 6 West. The purpose of granting access is to allow them and/or their contractors and agents to gain entry to the affected area to initiate and complete cleanup and reclamation procedures; provided, that the Oil Conservation Division shall save and hold harmless, indemnify and defend the State of New Mexico, the Commissioner of Public Lands, and his agents in their official and individual capacities, of and from any and all liability claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the access granted hereunder.

The authority to provide such access is provided for in State Land Office Rules and Regulations No. 1.069.

Sincerely,

E. Dwain Glidewell, Director
Surface Resources Division

Robert Finch
210 N. Auburn Av



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 FAX: (505) 334-6170

April 17, 1995

Certified: P 987 892 135

Thomas Dailey P C
Attorney for
First National Bank of Farmington
PO Box 2700
Farmington NM 87499

Robert Finch P A
Court Appointed Trustee
Lobo Prod
210 N Auburn Ave
Farmington NM 87401

Fidelity & Deposit Co of Maryland
PO Box 1227
Baltimore MD 21203

RE: Plugging or Temporary Abandonment of Non-producing Wells

Dear Mr. Dailey:

The referenced wells below are in violation of rule #201 and rule #203.

Gulf Fed 24 #1, #30-043-20672, D-24-23N-06W, 920N/795W
Gulf Fed 36 #1, #30-043-20660, A-36-23N-06W, 850N/800E
Scarecrow #1, #30-045-25208, P-04-24N-08W, 760S/900E
Hynes Kennedy 7 #1, #30-045-25599, O-07-29N-14W, 800S/1885E
Mesa Kirtland 11 #1, #30-045-25540, C-11-29N-15W, 1190N/1850W
Hatch #1, #30-045-24985, C-14-29N-15W, 660N/1980/W
Libra #1, #30-045-25852, C-16-32N-13W, 810N/1800W

You are hereby directed to plug and abandon these wells, return them to production or TA under rule #203 within 30 days.

If you fail to bring the wells into compliance, we will schedule a show cause hearing as to why the listed wells should not be plugged and abandoned.

Sincerely,

Johnny Robinson
Deputy Oil & Gas Inspector

cc: Rand Carroll, well files, Robert Finch P A, Fidelity & Deposit Co