

EOR 20

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 19, 1994

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, NM 87509-0630

Attention: Dick Minzner, Secretary

**RE: Certification of EOR Project
Burk Royalty Company
Hanson Yates Waterflood Project**

Dear Secretary Minzner:

Enclosed is a copy of the certification issued to Burk Royalty Company for its Hanson Yates Waterflood EOR project, certified by this Division to be a qualified Enhanced Oil Recovery Project effective November 1, 1994. If the operator applies for certification of positive production response within five years from that date, this project will be eligible for the *Recovered Oil Tax Rate* as provided in Laws of 1992, Chapter 38.

Only oil production from that portion of the lands identified in the certification which is actually developed for enhanced recovery will be eligible for the reduced tax rate. At the time positive production response is certified, we will identify for you the specific lands and wells within the project which qualify for the *Recovered Oil Tax Rate*.

Sincerely,

William J. LeMay
Director

WJL/BES

Enclosures

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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October 19, 1994

BURK ROYALTY COMPANY
P.O. Box BRC
Wichita Falls, Texas 76307

Attn: Charles Gibson

**CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT
FOR RECOVERED OIL TAX RATE**

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary recovery project pursuant to the provisions of the New Mexico *Enhanced Oil Recovery Act* (Laws of 1992, Chapter 38). In order to qualify for the *Recovered Oil Tax Rate*, you must apply for certification of positive production response within five years from the date of this certification. Only production from that part of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this division and the Secretary of Taxation and Revenue not later than the thirtieth day after termination.

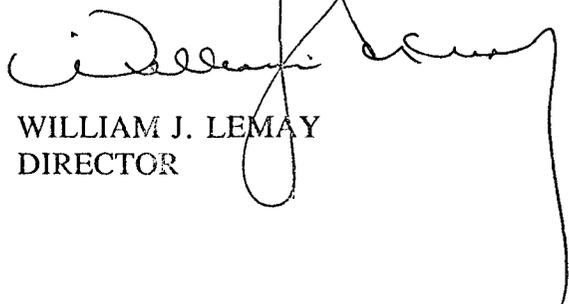
NAME OF PROJECT:	Hanson Yates Waterflood Project
OCD ORDER NO.:	R-10161 and Administrative Order Dated September 28, 1994
OPERATOR: ADDRESS:	Burk Royalty Company P.O. Box BRC Wichita Falls, Texas 76307
CERTIFICATION DATE:	November 1, 1994

PROJECT AREA

<i>Township</i>	<i>Range</i>	<i>Section</i>
20 South	34 West	Section 23: NE 1/4 - SW 1/4, S 1/2 - SW 1/4

APPROVED BY:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
DIRECTOR

S E A L

POST 592K
ADD REC. 220K..