HOLLAND&HART

Ocean Munds-Dry omundsdry@hollandhart.com

March 4, 2008

VIA HAND DELIVERY

Mr. Mark Fesmire, P. E. Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 CECEVED

Re: Application of Fasken Oil and Ranch, ltd. for authorization to inject, Avalon "10"Federal Well No. 42, located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Yates Petroleum Corporation hereby objects to the above-referenced application filed by Fasken Oil and Ranch, Ltd. seeking authorization to inject produced water in the Avalon "10" Federal Well No. 42 located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pursuant to Division Rule 701, this application must be set for hearing before a Division Examiner in order to be further considered, as Yateshas timely objected to this application. A copy of the C-108 received by Yates. is enclosed for your information. Your attention to this matter is appreciated.

Sincerely, Ocean Munds-Dry

cc: Kathy Porter, Yates Petroleum Corp.

Fasken Oil and Ranch, Ltd. 303 West Wall Suite 1800 Midland, Texas 79701

Enclosure

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com 110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208 Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 🗘