

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
NANCY A. RATH

JACK M. CAMPBELL
OF COUNSEL

March 14, 1995

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

RECEIVED

MAR 14 1995

Oil Conservation Division

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

1236

Re: Application of Yates Petroleum Corporation for Approval of a Pressure
Maintenance Project and Quantification for the Recovered Oil Tax Rate,
Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed is an original and one copy of completed Oil Conservation Division Form C-108 which is the application of Yates Petroleum Corporation in the above-referenced matter. Also enclosed is a draft of a legal advertisement for this case. As you will note from the enclosed, the project area consists of the NW/4 of Section 12, Township 8 South, Range 27 East. Yates also requests the establishment of a procedure for administrative approval of additional injection and producing wells within the project area.

Yates Petroleum Corporation requests that this case be set for hearing before a Division Examiner on April 6, 1995.

By copy of this letter a copy of this application is being provided to the Oil Conservation Division's District Office in Artesia, New Mexico.

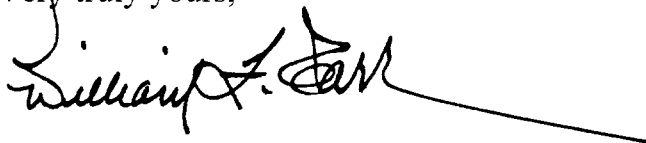
William J. LeMay

March 14, 1995

Page 2

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

WILLIAM F. CARR

Enclosures

cc: Mr. Pinson McWhorter
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210