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July 3, 1995

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

**RECEIVED**

JUL 3 1995

Oil Conservation Division

*Case 11347*

Re: Application of Yates Petroleum Corporation for Amendment of Division Order No. R-10349 for Expansion of the Quincy "AMQ" San Andres Pressure Maintenance Project and Qualification 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, Yates seeks to amend Order No. R-10349 to expand the project area for this pressure maintenance project and to use the Quincy AMQ State No. 9 Well in Unit G of Section 12, Township 8 South, Range 27 East, as an injection well instead of the previously approved Quincy AMQ State No. 8 Well. The proposed project area now includes the NW/4, the W/2 NE/4, the E/2 SW/4 and the W/2 SE/4 of said Section 12. 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 July 27, 1995.

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