

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

Case 8584
DISMISSED

March 26, 1985

DO OWE ABREED
UPON

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Maralo's Jalmat Yates Unit
Division Order #R-5816
Well Nos. 1 & 2
Section 12, T-25-S, R-36-E
Lea County, New Mexico

Gentlemen:

Reference is made to Maralo's application to inject water for purposes of secondary recovery in the above-referenced wells in the Jalmat Yates Unit.

We have no objection to the injection of water into the Jalmat Yates Unit No. 2 well which appears to be located 2310' FSL and 1650' FEL Section 12, T-25-S, R-36-E, Lea County, New Mexico. However, the Jalmat Yates Unit No. 1 well, located 2310' FSL and 330' FEL (I) Section 12, T-25-S, R-36-E is a short 933' diagonal from our Etz No. 2 well (not shown on Maralo's plat) located 2310' FNL and 330' FWL (E) Section 7, T-25-S, R-37-E, and the proposed injection interval in the No. 1 well is the same as the producing interval in our Etz No. 2. Injection of water in the same interval would cause premature abandonment of our Etz No. 2 due to excessive water production, and would deny us the right to produce any remaining recoverable reserves, and would therefore interfere with our correlative rights.

However, if Maralo is in need of an additional water injection well, we would not have any opposition to Maralo drilling an injection well at a location consisting of approximately 1650' FSL and 330' FEL of Section 12. An injection well at this location would fit the pattern Maralo has already established for water injection in the Jalmat Yates Waterflood, and the well would still be located far enough from our Etz No. 2 to prevent interference in the production of any remaining recoverable reserves from our well. By copy of this letter, we are informing Maralo that we would be happy to meet with Maralo to work out a satisfactory solution.

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We further request that we be notified in the event any work is done on the Jalmat Yates Unit No. 2. Thank you for your consideration.

Very truly yours,

DOYLE HARIMAN

Michelle Hembree

Michelle Hembree
Administrative Assistant

MH/dm

Enclosure

cc: Maralo, Inc.
Post Office Box 832
Midland, Texas

Attention: Ms. Brenda Coffman