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ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

July 23, 1984

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTN: Joe Ramey

Re: Application of I & W Transportation
for Salt Water Disposal Well

Dear Sir:

Yates Petroleum Corporation respectfully objects to the enclosed application wherein I & W Transportation seeks authority to dispose of salt water in the Sombrero "MS" State No. 2 located 550' FNL & 1980' FWL of Section 27-16S-33E in Lea County, New Mexico. The objection is based on the fact that Yates Petroleum produces oil from the same Wolfcamp interval in the Yates Sombrero "MS" State No. 1 located approximately 2800' feet away at 1650' FSL & 1650' FEL of Section 22-16S-33E. Our fear is that SWD at the No. 2 well could hurt oil production at our No. 1 well.

Yates Petroleum has told I & W Transportation of our concern via the telephone. I write this letter to tell the NMOCDD of our objection to administrative approval and ask for the opportunity to present testimony if and when the I & W application is called for hearing.

Thank you for your consideration.

Sincerely,

DAVID F. BONEAU
Engineering Manager

DFB/cvg

Enclosure

Case 8291

May 31, 1984

State of New Mexico,
Energy and Minerals Department,
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of I & W Transportation, Inc. for
Salt Water Disposal Well

Gentlemen:

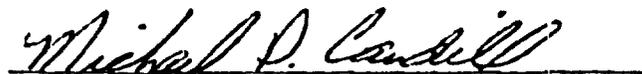
It is respectfully requested that the Oil Conservation Division of the Energy and Minerals Department grant their administrative approval to the application of I & W Transportation, Inc., for a salt water disposal well in Lea County, New Mexico.

The petitioner for administrative approval (I & W Transportation, Inc.) is hereby submitting Form C-108 along with all exhibits and requirements in accordance with the rules and regulations of the Commission.

The petitioner (I & W Transportation, Inc.) would like to state the following:

1. Principal address of I & W Transportation, Inc. is P.O. Box 939, Lovington, New Mexico 88260. Phone number is area code (505) 396-3331. Principal contact is Mr. Michael D. Caudill.
2. The well to be used for salt water disposal is the I & W Transportation, Inc., Sombrero "MS" State No. 2. Well is located in Unit C, 550' FNL, 1980' FWL, Section 27-T16S-R33E, Lea County, New Mexico.
3. That the manner and method of preparing the well for salt water disposal is mechanically feasible.
4. That I & W Transportation, Inc., will comply with all rules and regulations as set out by the Oil Conservation Division of the Energy and Minerals Department, State of New Mexico, as relates to salt water disposal.
5. That this application has been sent by registered, return receipt requested, mailing to all leasehold operators and the surface owners of the land within a one-half mile radius of the well location.

Respectfully submitted this 4th day of June, 1984.


Michael D. Caudill

Manager, I & W Transportation, Inc.