CIL CONSERVATION DIVISION

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EXECUTIVE VICE PRESIDENT

November 21, 1989

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

Attention: Mr. David R. Catanach

Re: Order SWD - 304

Dear Mr. Catanach:

Yates Petroleum Corporation recieved an order for permission to complete, for salt water disposal, its Bogle Farms "AEC" No. 1 well, located in Unit P of Section 13, Township 11 South, Range 34 East, N.M.P.M., Lea County, New Mexico on June 26, 1986. We now call this well the Lagarto State Unit #2 well.

We figure that the order, SWD - 304, is still in effect and we will try to make it a disposal well in the 1990's. If there is any problem or question about this, please advise me.

If I do not hear from you, I will figure it is still in effect. If you need anything further, please let me know.

Thank you.

Very truly yours,

YATES PETROLECT CORPORATION

Ken Beardemphl Landman

KB/sdf