



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 25, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Ken Beardemphl

Dear Mr. Beardemphl:

Reference is made to your letter dated November 21, 1989, whereby you advised the Division that the Bogle Farms "AEC" Well No. 1 (now called the Lagarto State Unit Well No. 2), located in Unit P of Section 13, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico, will not be converted to a salt water disposal well (as applied for and authorized by Division Order No. SWD-304) at this time. It is our understanding however, that Yates may wish to convert this well to a salt water disposal well at a later time. Please be advised that our disposal permits do not have an expiration clause, however, I would request that at such time as the subject well may be converted to disposal, Yates notify the Division of such intent and also advise the Division of any deviations from the original plans or changes of circumstances which may have occurred during this interim period, which may have an affect on the original authorization.

If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach".

David Catanach
UIC Engineer

xc: OCD-Hobbs
File-SWD-304