

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



OIL CONSERVATION DIVISION
RECEIVED
30 JUL 9 AM 9 37

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

July 5, 1990

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

ATTN: David Catanach

RE: Request for Injection Pressure Limit Increase
SWD - Osage #1, G 21-19S-25E

Dear Mr. Catanach:

The Osage #1 has been limited to a wellhead injection pressure of 1534 psi by Order No. SWD-336. According to rule 704-C, a step-rate test was conducted on June 28, 1990 on the Osage #1 salt water disposal well. The test was witnessed by Johnny Robinson of the Artesia NMOCD office. Halliburton of Artesia conducted the test with the results of the step-rate enclosed.

We ran into a slight problem in attempting to run a "no-go" ahead of the downhole pressure instrument belonging to John West Engineering of Hobbs, New Mexico.

ID of plastic coated tubing is 2.297"
ID of seating nipple is 2.25"

John West had a "no-go" with an ID of 2.27" which was to stay above the 2.25" seating nipple. With this minimum tolerance and the potential of getting stuck, we did not run the "no-go". We also did not want to chance losing the instrument in the hole since our salt water disposal capacity was so limited.

We called you on Wednesday, June 27, 1990 to request permission to run the step-rate test with surface read-out equipment only. However, you were in a hearing all day. We spoke with Mike Williams of the NMOCD Artesia office concerning this. Mr. Williams felt we could submit the data and request approval, if the rates were steady and did not fluctuate significantly. The enclosed data reflects a steady test.

Mr. David Catanach

July 5, 1990

-2-

Yates Petroleum respectfully requests an increase of the pressure limit on the Osage #1 to 2483 psi. The perforations are from 7672-7863'. The tubing is set at 7624'. The specific gravity of the fluid is 1.005.

Should you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Theresa Padilla".

Theresa Padilla
Petroleum Engineer

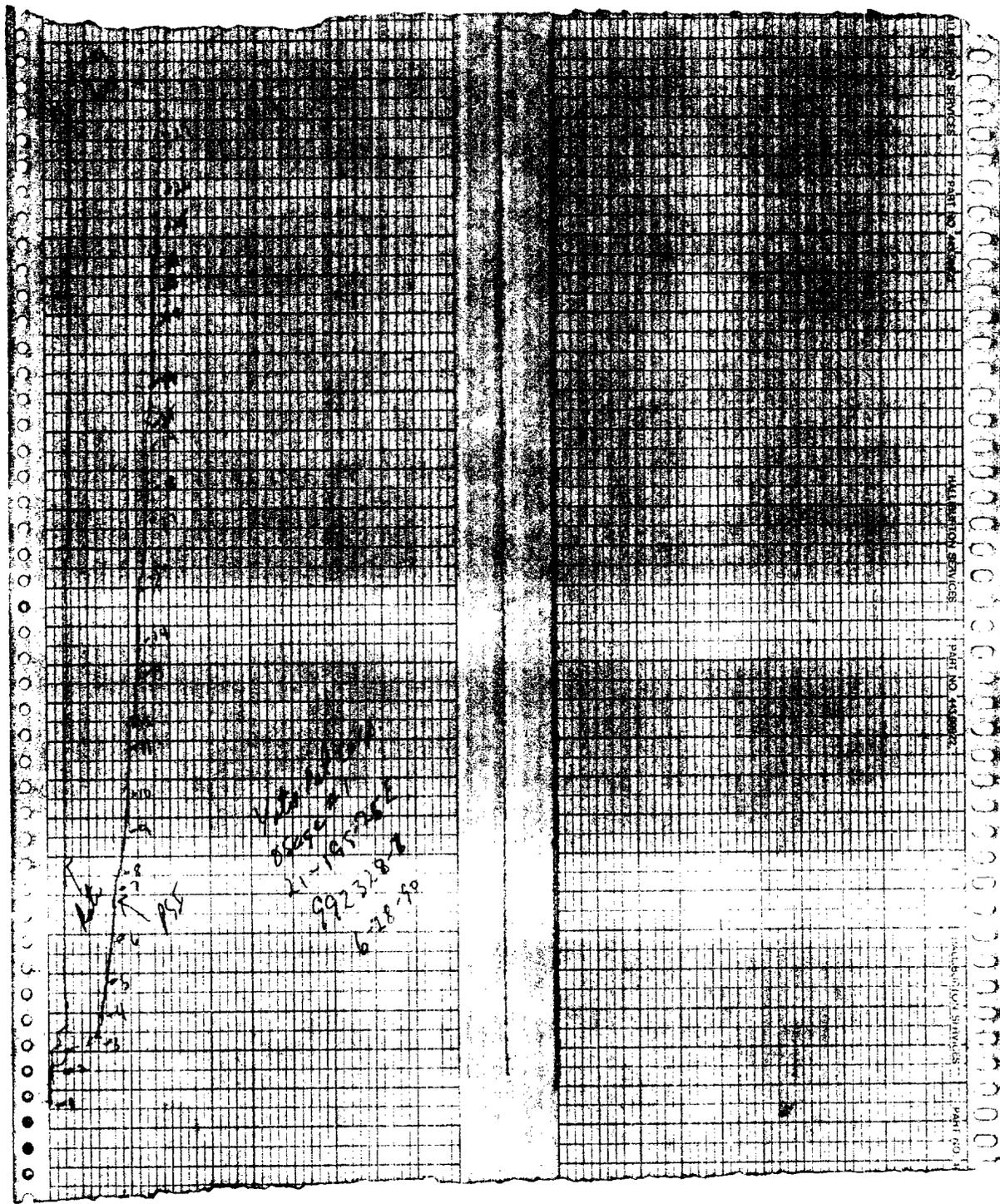
TP/cvg

Enclosures

xc: NMOCD - Artesia, NM

OSAGE #1 - STEP RATE TEST

INJ RATE BHPD	SURFACE PRESSURE	CORRECTED SURFACE PRESSURE	BOTTOMHOLE PRESSURE
6048	1525	778	4157
6840	1943	951	4331
7488	2248	1104	4483
8208	2483	1186	4566
8928	2653	1128	4507
9648	2833	1155	4534



Handwritten notes on the left page, including a vertical line with arrows and the letters "PS".

Handwritten notes in the center of the left page, including the number "992328" and "628-90".

Vertical text on the right edge of the notebook, including "SPECIALS" and "SPECIALS".