



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 28, 1995

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, New Mexico 87509-0630

Attention: Mr. John Chavez, Secretary

RE: Certification of a Positive
Production Response,
Yates Petroleum Corporation
Sanmal Queen Unit Waterflood Project

Dear Secretary Chavez:

Enclosed is a copy of Division Order No. R-10345 which was issued on April 13, 1995. This order certifies that a positive production response has occurred within the Sanmal Queen Unit Waterflood Project which is currently operated by Yates Petroleum Corporation. In addition, this positive production response has occurred within the five year time limit as described within the "New Mexico Enhanced Oil Recovery Act". The Division has determined that all wells within the project area producing from the Sanmal-Queen Pool are eligible for the recovered oil tax rate. These wells are shown on Exhibit "A" to Order No. R-10345.

For your convenience we have also enclosed a summary page showing all pertinent data. If additional information is required please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/DRC

Enclosures