

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

**RECEIVED**

FEB 21 1995

IN THE MATTER OF THE APPLICATION  
OF YATES DRILLING COMPANY  
FOR POSITIVE PRODUCTION RESPONSE  
CERTIFICATION, CHAVES COUNTY, NEW MEXICO.

Oil Conservation Division CASE NO. 11223

**APPLICATION**

YATES DRILLING COMPANY, through its undersigned attorneys, hereby makes application pursuant to the provisions of Rule E2(3)a of the Rules and procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate promulgated by Division Order No. R-9708 on August 27, 1992, for Certification of a Positive Production Response to waterflood operations in the Cactus Queen (Voluntary Unit) expansion area. Yates Drilling Company also requests that the Division notify the Secretary of the Taxation and Revenue Department of the certification, effective November 1, 1993. In support of this Application, Yates Drilling Company states:

1. Applicant is the operator of the Cactus Queen (Voluntary Unit).
2. The Cactus Queen (Voluntary Unit) was defined by Division Order No. R-9075-B.
3. A subsequent expansion of the Cactus Queen (Voluntary Unit) was approved by Division Order No. R-9075-B-1.

4. Division Order No. R-0975-B-1 also certified the project as an Enhanced Oil Recovery Project.

5. The Project Area is:

Township 12 South, Range 31 East, NMPM

Section 27: NE/4 SW/4, S/2 SW/4 and W/2 SE/4

Section 34: W/2, W/2 NE/4 and NW/4 SE/4

6. The expansion area consists of five (5) injection wells and four (4) producing wells for a total of nine (9) wells.

7. Injection began into the five injection wells in June, 1993.

8. Significant positive production response was recognized on or before November 1, 1993.

9. Since November 1, 1993, production of oil has continued to increase.

WHEREFORE, Yates Drilling Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 1995 and, after notice and hearing as required by law, the Division enter its Order certifying that a Positive Production Response has occurred pursuant to waterflood operations in the Cactus Queen (Voluntary Unit) expansion area. Yates Drilling Company also requests that the Division notify the Taxation and Revenue Department of the certification, effective November 1, 1993.

Respectfully submitted,

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