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March 14, 1995

RECEIVED

MAR 14 1995

Oil Conservation Division

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

1236

Re: Application of Yates Petroleum Corporation for Approval of a Pressure Maintenance Project and Quantification for the Recovered Oil Tax Rate, Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed is an original and one copy of completed Oil Conservation Division Form C-108 which is the application of Yates Petroleum Corporation in the above-referenced matter. Also enclosed is a draft of a legal advertisement for this case. As you will note from the enclosed, the project area consists of the NW/4 of Section 12, Township 8 South, Range 27 East. Yates also requests the establishment of a procedure for administrative approval of additional injection and producing wells within the project area.

Yates Petroleum Corporation requests that this case be set for hearing before a Division Examiner on April 6, 1995.

By copy of this letter a copy of this application is being provided to the Oil Conservation Division's District Office in Artesia, New Mexico.

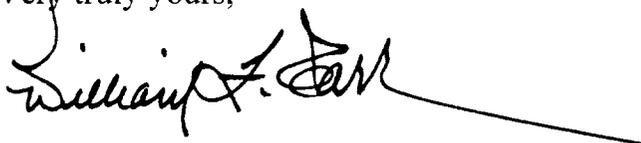
William J. LeMay

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Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style and is followed by a long horizontal line that extends to the right.

WILLIAM F. CARR

Enclosures

cc: Mr. Pinson McWhorter
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210