

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



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

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

December 10, 1990

CERTIFIED RETURN RECEIPT

Santa Fe Energy
500 W. Illinois
Suite 500
Midland, TX 79702

Re: Request for Authorization to Inject
Mimosa AHS Federal #1
1980' FSL & 810' FEL
Sec 4-T20S-R24E
Eddy County, NM

Gentlemen:

Yates Petroleum notified you by letter of November 7, 1990 of the proposed plan to convert the referenced Mimosa AHS Federal #1 into a disposal well. The proposed zones for injection were the Mississippian, Devonian and Ellenberger formations at a depth of 9515' to 11,150'. In addition to these zones, Yates now proposes to include the Morrow formation at a depth of 8925' to 8940' as a zone for injection. This zone was perforated, acidized and fracture treated but proved unproductive. It is our intention to inject into all of the zones through 3-1/2" lined tubing and a nickel-plated packer set at 8888'.

Yates has requested that our application to inject be amended to include this zone. If your company has an objection to this amendment please notify the N.M.O.C.D. in Santa Fe within 15 days from receipt of this letter. If you need further information please contact me.

Sincerely yours,

A handwritten signature in cursive script that reads 'Paul Ragsdale'.
Paul Ragsdale

PR/sj

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January 3, 1991

N. M. Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

ATTN: David Catanach

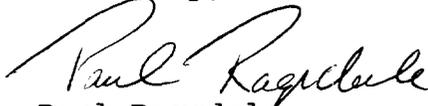
RE: Mimosa AHS Fed #1
1980 FSL & 810 FEL
Sec 4-T20S-24E
Eddy County, NM

Gentlemen:

Yates Petroleum respectfully requests that the letter of December 10, 1990 be withdrawn and that the authorization to inject be approved as originally submitted. The Morrow formation will be squeezed, drilled out and pressure tested. Please remove Case 10204 from the docket for the scheduled hearing of Thursday, January 11th.

We appreciate your cooperation in this matter.

Sincerely,


Paul Ragsdale

xc: NMOCD - Artesia

Handwritten: CASE FILE - 10204

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10204
Order No. R-9409

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER
DISPOSAL, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 10, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of January, 1991, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

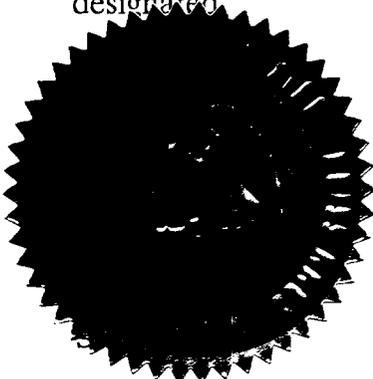
FINDS THAT:

The applicant's request for dismissal should be granted.

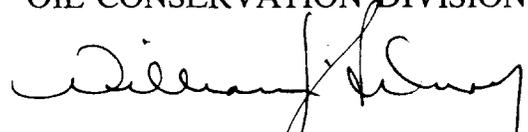
IT IS THEREFORE ORDERED THAT:

Case No. 10204 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director