



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

RECEIVED

October 22, 1974

OCT 23 1974

New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

O. C. C.
ARTESIA, OFFICE

ATTENTION: Mr. W. A. Gressett

Re: Oil Purchase and Transfer
Chaves County, New Mexico

Dear Mr. Gressett:

Please be informed that we have transferred 480 barrels of crude from our Federal CL lease (P-Sec. 27-15S-29E) in the Sulimar Queen Pool to our Federal DH No. 1 well located in Unit E of Section 37-15S-29E, in the Lucky Lake South Pool. This oil is to be used for Frac Oil in treating the DH No. 1.

Yates Petroleum, as Operator of both leases will purchase the oil from the Federal CL lease at the price effective for that lease as of the date of the transfer. All production taxes and royalties will be paid for the 480 barrels of oil by the temporary purchaser, Yates Petroleum Corporation. There will be no trucking charge deducted from the price of the oil.

Yours truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood
Petroleum Engineer

EMM/jg

cc: OCC - 2
USGS - 1
Navajo - 1