Bill

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

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February 18, 1980

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O. C. D. ARTESIA, OFFICE

Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210

Attention: Johnny Morgan

Gentlemen:

Under the authority granted me by Division Rule 703 B(2) Yates Petroleum Corporation is hereby granted authority to reinstitute salt water disposal into the Devonian formation in its Mitchell "IN" Well No. 2 located in Unit I of Section 23, Township 17 South, Range 25 East, Eddy County, New Mexico.

Said well shall continue to be bound by all provisions of Division Order No. R-5602 which originally authorized its use for salt water disposal purposes. Further, upon discontinuance of production from the East Eagle Creek Atoka-Morrow Gas Pool, the Atoka-Morrow perforations shall be squeeze cemented, the casing-tubing annulus shall be loaded with an inhibited fluid, and a pressure gauge or approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

Yours very truly,

JOE D. RAMEY Director

JDR/fd