



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

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JUL 14 1975

O. C. C.
ARTESIA, OFFICE

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

July 11, 1975

E. F. Stickland,
District Manager
Kewanee Oil Company
Box 3786
Odessa, Texas 79760

RE: Atoka San Andres Waterflood,
Plugging, Y.P.C. Martin #2 & #3

Dear Sir:

You are hereby advised that high pressured salt water from your Atoka Waterflood project channelled into two of our producing wells on the Martin lease in Section 15-T18S-R26E back in early 1969 causing premature shut in of the No. 2 and No. 3 wells. We are now required to plug and abandon these wells. On June 3, 1975, an attempt was made to plug the No. 3 well, but we were unable to get into the well on account of excessive salt water flow. Your local personnel were advised of the situation and it was agreed that certain injection wells would be shut in to allow pressure bleedoff. However, injection apparently was resumed after a brief shut in at which time only a 30-40 psi decrease in pressure was observed at the Martin No. 3 well.

Your Atoka (S.A.) Waterflood has caused us a lot of grief and unnecessary expense, and it is our opinion that the burden is yours to plug these wells. The wells are on irrigated lands and any damage to crops as result of the plugging operations will be yours. Therefore, it would be desireable that plugging operations should be done in co-ordination with Rancher, C. R. Martin of Artesia, and under supervision of the District Oil & Gas Inspector.