

STATE OF NEW MEXICO

ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 11, 1994

Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210

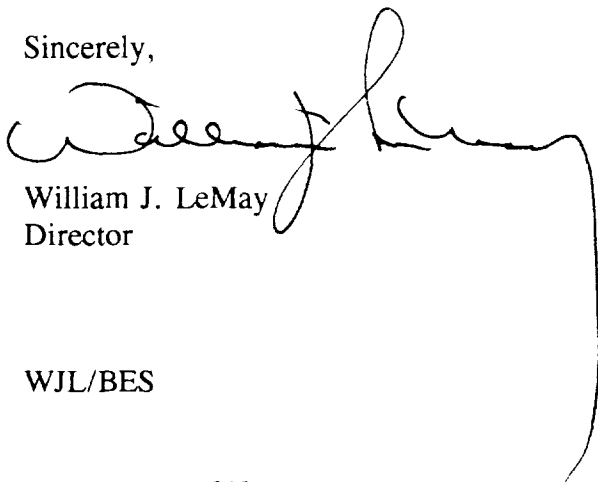
Attn: Karen J. Leishman

Re: *South Loco Hills Unit Well No.29*
Unit P, Section 19-18S-29E
Eddy County, New Mexico

Dear Ms. Leishman,

My staff has reviewed your request to reinstate the status of the above mentioned well to injection. As the well appears to be in compliance with applicable rules and regulations of the Division, your request is hereby approved. All terms and conditions of Division Orders R-7011, R-7012 and WFX-640 will remain in full force and effect.

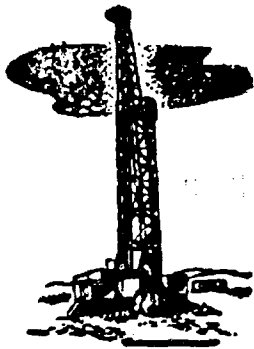
Sincerely,



William J. LeMay
Director

WJL/BES

cc: WFX-640
OCD - Artesia



YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES
PRESIDENT

S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

July 14, 1994

Mr. David Catanach
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: South Loco Hills Unit #29
Unit P, Section 19-18S-29E
Eddy County, New Mexico

Dear Sir:

Yates Drilling Company completed the captioned well as a producing well on August 26, 1992. We converted the well to a water injection well by authority of Administrative Order WFX-640 dated February 1, 1993.

In June, 1993 we hydraulically fractured the well with 18,654 gallons of gelled water and 33,600# 12/20 sand and converted it from an injection well to a pumping well. We would now like to return the well to an injection well. The information on the C-108 we furnished in January, 1992 is still correct. The only thing that has changed is the stimulation on well #29.

We respectfully request that you reinstate the permit for the South Loco Hills #29 to be a water injection well. If you need any further information, please contact me.

Sincerely,

YATES DRILLING COMPANY

Karen J. Leishman
Engineering Technician