

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR POSITIVE PRODUCTION RESPONSE
CERTIFICATION, LEA COUNTY, NEW MEXICO

RECEIVED

FEB 21 1995

Case 11222
Oil Conservation Division

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby makes application pursuant to the provisions of Rule E2(3)a of the Rules and procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate promulgated by Division Order No. R-9708 on August 27, 1992, for Certification of a Positive Production Response to waterflood operations in the Sanmal Queen Unit expansion area. Yates Petroleum Corporation also requests that the Division notify the Secretary of the Taxation and Revenue Department of the certification, effective September 1, 1994. In support of this Application, Yates Petroleum Corporation states:

1. Applicant is the operator of the Sanmal Queen Unit.
2. On September 10, 1993, in Order No. R-9961, the Division approved the application of Yates Petroleum Corporation for a waterflood project in Lea County, New Mexico.

3. Division Order No. R-09961 also designated the Sanmal Queen Unit Waterflood Project and certified the project as an Enhanced Oil Recovery Project.

4. The Project Area is:

Township 17 South, Range 33 East, NMPM

Section 1: SW/4, W/2 SE/4, NE/4 SE/4 and S/2 NE/4

Section 12: N/2 NW/4

5. Injection began into the injection wells in November, 1993.

6. Significant positive production response was recognized on or before September 1, 1994.

7. Since September 1994, production of oil has continued to increase.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 1995 and, after notice and hearing as required by law, the Division enter its Order certifying that a Positive Production Response has occurred pursuant to waterflood operations in the Sanmal Queen Unit expansion area. Yates Petroleum Corporation also requests, that the Division notify the Taxation and Revenue Department of the certification, effective September 1, 1994.

Respectfully submitted,

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