

MARTIN YATES, III  
1912 - 1988  
FRANK W. YATES  
1936 - 1986



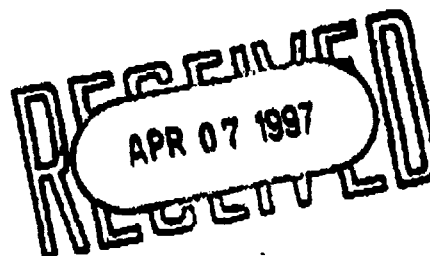
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TREASURER

March 28, 1997

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

RE: SWD Application by Manzano  
California State 22 #1  
2310 S + 990 E, Section 22-10S-37E  
Lea County, New Mexico



Dear Sir:

Yates Petroleum hereby files objection to the Manzano proposal to use the subject well for salt-water disposal. I ask that the Manzano proposal be set for hearing so that all interested parties can address the issues.

The subject well is now a deep dry hole on Yates lease V4674, which expires in June of 2000 AD. Yates Petroleum has been reentering deep dry holes in Southeast New Mexico to produce hydrocarbons bypassed by other operators. At a minimum, Yates Petroleum needs time to evaluate the potential of the subject well to produce hydrocarbons. Thus, I request that the Manzano proposal be set for hearing. Then, Yates will be able to review the Manzano C-108 plus other data on the subject well.

Thank you for your consideration.

Sincerely,

David F. Boneau  
Engineering Manager

DFB/cvg

Attachment

EXHIBIT B