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November 10, 1992

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

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OIL CONSERVATION DIVISION

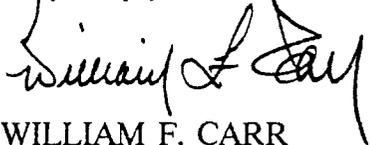
Re: Case No. 10641:
Application of Yates Drilling for Expansion of its Cactus Queen (Voluntary)
Unit Waterflood Project and for Qualification of the Expansion Area for the
Recovered Oil Tax Rate Pursuant to the "New Mexico Enhanced Oil
Recovery Act", Chaves County, New Mexico

Dear Mr. LeMay:

Enclosed is a legal advertisement in the above-referenced case for Yates Drilling. Yates Drilling requests that this case be included on the docket for the December 3, 1992 Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES DRILLING
WFC:mlh

Enclosure

cc w/enclosure: Robert G. Stovall, Esq.
General Counsel

CASE 1064:

Application of Yates Drilling Company for expansion of its Cactus Queen (Voluntary) Unit Waterflood Project and for Qualification of the Expansion Area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Cactus Queen (Voluntary) Unit Waterflood Project which was originally approved by Division Order No. R-9075-B entered on March 15, 1990 by expanding the project area to include portions of Section 34, Township 12 South, Range 31 East, N.M.P.M. and injecting therein water into the Queen formation, Southeast Chaves Queen Gas Area Associated Pool. Applicant also seeks an order pursuant to the Rules and Procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying this expansion of its Cactus Queen (Voluntary) Unit Waterflood Project in portions of Section 34, Township 12 South, Range 31 East, Cactus Queen (Voluntary) Unit, Southeast Chaves Queen Gas Area Associated Pool, for the Recovered Oil Tax Rate under the "(Enhanced Oil Recovery Act)" (Laws 1992, Chapter 38, Sections 1 through 5). Said project area is located approximately 12 miles south, southwest of Caprock, New Mexico.