



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 14, 1994

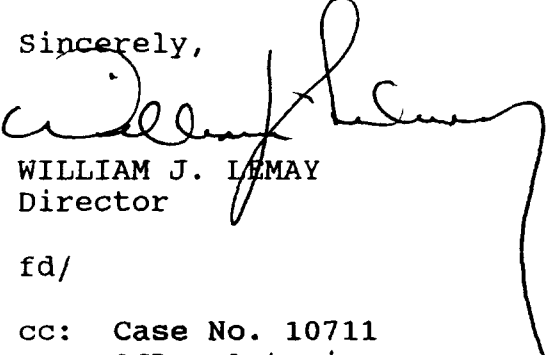
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. William F. Carr
Campbell, Carr, Berge, & Sheridan
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of April 12, 1994, and in accordance with the provisions of Division Order No. R-9896, Yates Petroleum Corporation is hereby granted a six-month extension of time in which to commence injection operations pursuant to said Order No. R-9896 until November 18, 1994.

Sincerely,


WILLIAM J. LEMAY
Director

fd/

cc: Case No. 10711
OCD - Artesia

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
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April 12, 1994

HAND-DELIVERED

APR 14 1994

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

Re: Oil Conservation Division Case No. 10711:
Application of Yates Petroleum Corporation for approval of a Waterflood
Project, Eddy County, New Mexico

Dear Mr. LeMay:

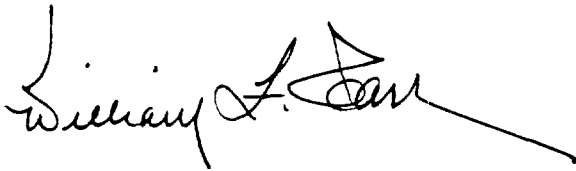
On May 18, 1993, the Division entered Order No. R-9896 in the above-referenced case granting the application of Yates Petroleum Corporation to institute a waterflood project in its Creek "AL" Federal Lease. Order Paragraph 15 provides that the injection authority granted by this Order will terminate one year after the effective date of Order No. R-9896 (May 18, 1994), if injection operations have not been commenced by that time. Unless the Division has granted an extension of this Order for good cause shown upon written request of the operator.

Although Yates Petroleum Corporation still plans to implement this waterflood project and is cooperating with Hanson Operating Company, Inc. to implement Hanson's adjoining Benson Shugart Waterflood Unit Project, current low oil prices make it imprudent to implement waterflood operations on the Creek "AL" Federal Lease at this time. Accordingly, pursuant to the provisions of Order Paragraph No. 15 of Order No. R-9896, Yates Petroleum Corporation hereby requests an extension of the time within which to commence injection operations pursuant to this Order through May 18, 1995.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
April 12, 1994
Page 2

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal flourish extending to the right.

WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh
cc: Theresa Sloan

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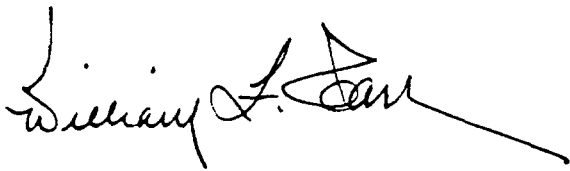
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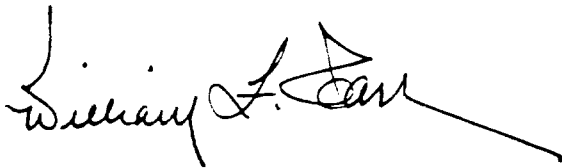
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