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AREA CODE 505
746-3508

July 31, 1984

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Blanco Engineering, Inc.
Pan American Flint Gas Com. No. 1 Well
Township 18 South, Range 26 East, NMPM
Section 22: N/2 SE/4
Eddy County, New Mexico

Gentlemen:

Enclosed, please find three copies of the Application of Blanco Engineering, Inc. to Inject Water for the Purpose of Water Disposal, Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Thank you.

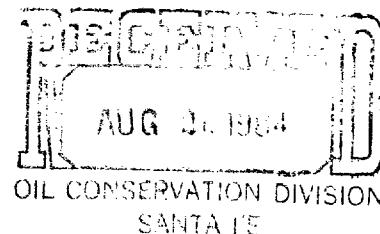
Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:paf
Enclosures

cc w/enc: Mr. Paul White



BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

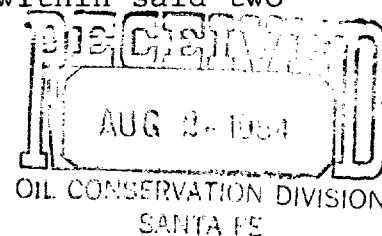
IN THE MATTER OF THE APPLICATION OF BLANCO :
ENGINEERING, INC. TO INJECT WATER FOR :
THE PURPOSE OF WATER DISPOSAL, EDDY COUNTY, : CASE NO. 5723
NEW MEXICO :
_____ :

APPLICATION

COMES NOW Blanco Engineering, Inc. by its attorneys, pursuant to Rule 701, and in support hereof, respectfully states:

1. Applicant proposes to dispose of water into the Pan American Flint Gas Com. No. 1 Well, located 1,980 feet from the south line and 1,980 feet from the east line of Section 22, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, through perforations from 9,094 and 9,116 feet, in the Atoka Penn formation.

2. Form C-108 showing the location of the proposed disposal well, and the location of all other wells within a radius of two miles from said proposed disposal well, and the formation from which said wells are producing or have produced, and indicating the lessees within said two



mile radius, will be filed within ten days prior to hearing herein. The log of the proposed disposal well and a diagrammatic sketch thereof with other pertinent information concerning the proposed project are a part thereof.

WHEREFORE, Applicant prays:

A. That this Application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order authorizing Applicant to dispose of water into Pan American Flint Gas No. 1 Well, located 1,980 feet from the south line and 1,980 feet from the east line of Section 22, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, through perforations from 9,094 and 9,116 feet, in the Atoka Penn formation.

C. And for such other and further relief as may be just in the premises.

BLANCO ENGINEERING, INC.

By: 
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210
(505) 746-3508

Attorneys for Applicant

BLANCO
engineering
inc.

116 North First Street / (505) 746-3223
Artesia, New Mexico 88210

December 28, 1984

[Handwritten signature]
DEC 31 1984
RECEIVED

Mr. Tom Kellahin
Attorney at Law
117 North Guadalupe
P.O. Box 2265
Santa Fe, New Mexico 87504

Re: New Mexico Oil Conservation Division, Case 8323:
Application of Blanco Engineering, Inc. for
Salt Water Disposal, Eddy County, New Mexico

Dear Tom:

Blanco Engineering, Inc. is resentful of the manner in which Yates Petroleum Corporation and their attorney, Mr. William F. Carr, has handled the preliminaries to the re-hearing of the subject case.

After our conversation with Mr. Dick Stamets at the Oil Commission, Blanco agreed that (1) Yates Petroleum Corporation was deleted from the Proof of Notice by our legal counsel and (2) the order had to be rescinded and all on-going work "put on hold".

We have received three phone calls from Mr. Dick Stamets, Mr. Jeff Taylor and yourself concerning the possibility that we are continuing to work on the Salt Water Disposal project. In addition we have a registered letter from Mr. William Carr threatening court injunctions, etc.

Blanco has fully complied with Mr. Stamets instructions. Yates Petroleum Corporation has accused us of on-going work on the project and there has been no one on the well since the order was rescinded.

We have a recorded contractual agreement from the mineral owner and the surface owner giving us the right to convert the well and giving us right of way to the well.

Logically, we should be the party threatening court injunctions, etc. but we feel that this is highly repugnant at this stage of the fight.

I would like to request that in your dealings with Mr. Carr, he be made aware of our concern for exercising some sort of restraint on the Yates Petroleum Corporation threats and that Blanco also expects Yates Petroleum Corporation to exercise this same restraint. Thank you for your help.

Sincerely,

[Handwritten signature: Paul G. White]
Paul G. White

PGW/sf

cc: Mr. Dick Stamets
Mr. Randy Patterson