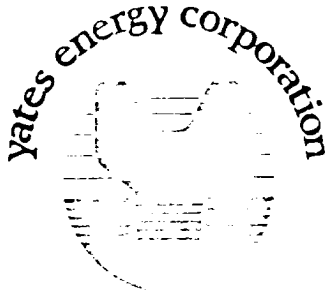
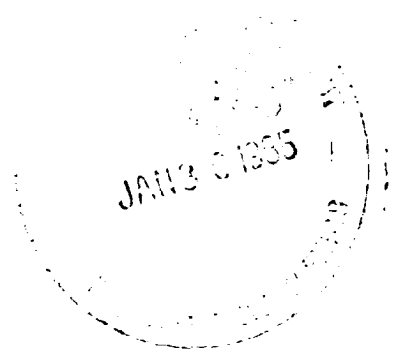


January 29, 1985



U.S. Department of the Interior  
Bureau of Land Management  
Roswell Resource Area  
P. O. Drawer 1857  
Roswell, NM 88201



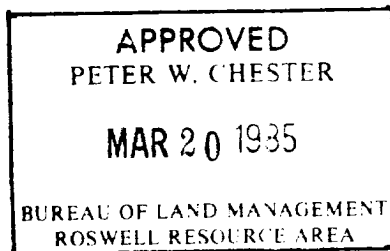
RE: Application for Disposal  
of Produced Water  
Amoco Federal #1  
1980' FNL & 660' FEL  
Section 1-T8S-R30E  
Amoco Federal #2  
1980' FNL & 1980' FEL  
Section 1-T8S-R30E  
Chaves County, New Mexico  
Lease No. NM-0354427A

Gentlemen:

Pursuant to NTL-2B, we submit the following application for the disposal of produced water from the referenced wells.

We are currently using a flowline from our tank battery located at the Amoco Federal #1 well site, which passes through both locations, in order to transfer disposal water to our #1 Exxon Federal, where the water is transferred via a previously existing flowline for disposal into the White Lakes Ranch disposal system.

If this application meets with your approval, please let us know.



Sincerely,

YATES ENERGY CORPORATION

John R. McMinn

JRM/fm