

M. OIL CONS. COMMISSION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240
YATES DRILLING COMPANY

YATES BUILDING - 207 SOUTH 4TH ST. - (505) 746-3558

ARTESIA, NEW MEXICO 88210

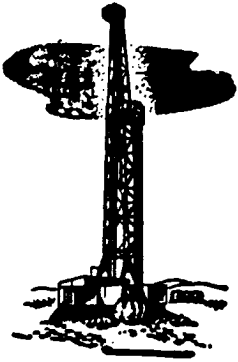
April 28, 1986

PEYTON YATES.
PRESIDENT

S. P. YATES,
VICE PRESIDENT

B. W. HARPER,
SEC.-TREAS.

JACK W. MCCAUL,
ASST. SEC.-TREAS.



Bureau of Land Management
P.O. Drawer 1857
Roswell, New Mexico 88201

Re: DeLuna Federal #1 & #2 Battery
Unit C-Section 34-12S-31E 7MM-15896
Burkitt Federal #1 & #2 Battery
Unit F-Section 34-12S-31E
Chaves County, New Mexico

Gentlemen:

The approval to vent gas from the captioned batteries expired October 3, 1985.

Yates Drilling Company respectfully requests a continuation of our approval to vent gas on these batteries.

We have been diligently seeking a contract for the gas in the Queen field but we have been unsuccessful in our attempt.

The high nitrogen and carbon dioxide content of the gas makes the gas uneconomic for any purchaser in the area. At such time as a contract may be obtained gas connections to a gas sales line will be made in a timely manner.

If you need anything further, please advise.

Sincerely,

YATES DRILLING COMPANY

Karen J. Leishman
Karen J. Leishman
Production Clerk

APPROVED
PETER W. CHESTER
Peter W. Chester
MAY 13 1986.
BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

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APPROVED FOR 12 MONTH PERIOD
ENDING 5/13/87