

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

105 SOUTH FOURTH STREET — (505) 746-9889

FAX (505) 746-6480

TELEX 508891 (YPCART)

ARTESIA, NEW MEXICO 88210

May 17, 1989

PEYTON YATES
PRESIDENT

S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

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

Attention: Stan Mayo

Re: Dave Federal #1 & #2
Section 34-12S-31E
Chaves County, N.M.

Gentlemen:

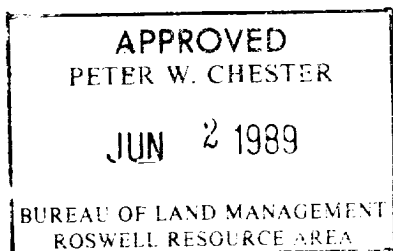
Yates Drilling Company respectfully requests permission to dispose of produced water from the captioned wells.

The wells produce from the Queen formation. They produce little or no water. We do, however, put hot water down the wells to break up the salt build up.

The water will be stored in a 20 barrel fiberglass tank and will be hauled to a disposal by O.K. Hot Oil Company. I am enclosing a letter from O.K. Hot Oil that gives the name of the disposal and the permit number. Also enclosed find a copy of the water analysis.

Your consideration of our request is appreciated.

Sincerely,



YATES DRILLING COMPANY

Karen J. Leishman

Karen J. Leishman
Production Clerk

enclosures

