

N. 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 *nm-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.

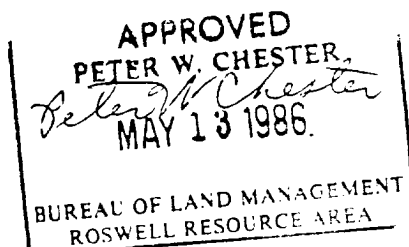
The high nitrogen and carbon dioxide content of the gas makes the gas uneconomic for any purchaser in the area. At such time as a contract may be obtained gas connections to a gas sales line will be made in a timely manner.

If you need anything further, please advise.

Sincerely,

YATES DRILLING COMPANY

*Karen J. Leishman*  
Karen J. Leishman  
Production Clerk



kjl

APPROVED FOR 12 MONTH PERIOD  
ENDING *5/13/87*