

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



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S. P. YATES
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JOHN A. YATES
CHAIRMAN OF THE BOARD

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PRESIDENT

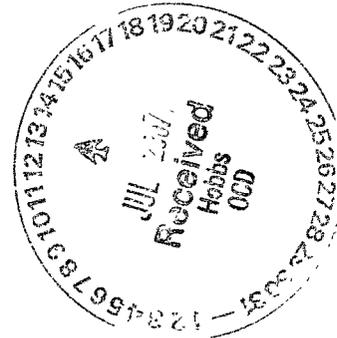
FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

July 11, 2007

Mr. Chris Williams
NMOCD District I
1625 French Drive
Hobbs, NM 88240

RE: 1RP-947
Abalone AMB State #1
Section 26, T14S-R33E
Lea County, New Mexico



Dear Mr. Williams,

The above location is no longer operated by Yates Petroleum Corporation, a Change of Operator, Form C-145 (enclosed) was approved by the OCD on April 3, 2007 and Texas Reexploration Operating L.C. is the new operator. On June 29, 2006 a Form C-141, Initial Report (enclosed) was submitted for a release that occurred on June 19, 2006. Remediation of that release was not completed by Yates before the change of operator was finalized. We would like you to determine who is the responsible party for the remediation (Yates, since the release happened while YPC was operator or Texas Reexploration, since they assumed the condition of the location).

Thank you for your assistance in this matter.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

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