

MARTIN YATES, III
1912-1985
FRANK W. YATES
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S.P. YATES



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November 16, 2009

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR. ASSISTANT TO THE PRESIDENT

JAMES S. BROWN

JOHN D. PERINI CHIEF FINANCIAL OFFICER

RECEIVED

NOV 18 2009

NMOCD ARTESIA

Oil Conservation Division, District II Office 1301 W. Grand Ave. Artesia, NM 88210

Re: Mosley Canyon BIA State #1

Section 5-T24S-R25E Eddy County, New Mexico H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Bone Spring formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Tina Huerta

Regulatory Compliance Supervisor