



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 28, 2001

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Pinson McWhorter

RE: Yates Petroleum Corporations ' Graham 'AKB' State Well #4, located in Unit G, 1980' FNL & 1650' FWL of Section 2, Township 22 South, Range 31 East, Eddy County, New Mexico, NMPM

Dear Mr. McWhorter,

In reference to the above captioned well and our phone conversation on August 27th, Yates Petroleum Corporation has been directed to run a directional survey in order to establish the location of the producing interval(s). Please refer to Rule 111.B(2) & (3) of the Oil Conservation Division's Rules and Regulations for further clarification to this matter.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Bryan Arrant".

Bryan Arrant

PES

NMOCD-District II

E-Mail

Lori Wrotenbery, Division Director

Michael E. Stogner, Hearing Examiner/Engineer

Tim Gum, District Supervisor