



TOM W. DAVIS
MANAGER
SECRETARY/TREASURER
ASSESSOR/COLLECTOR

CARLSBAD IRRIGATION DISTRICT

CO-OPERATING WITH DEPARTMENT OF INTERIOR
25,000 ACRES UNDER CULTIVATION
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May 3, 2004

RECEIVED

MAY 19 2004

OCB-ARTESIA

30-015-33395

RECEIVED

MAY 17 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Mr. Bryan G. Arrant, PES
NM Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Lake Shore XH Federal Com. #2 well, located in Section 11 of Township 21 South, Range 26 East, 2100' FNL & 2271' FWL, Eddy County, New Mexico

Dear Mr. Arrant:

Based on review of Yates Petroleum Corporation's application to drill Lake Shore XH Federal Com. #2, this letter is Carlsbad Irrigation District's approval to allow drilling at the described location.

Sincerely,

CARLSBAD IRRIGATION DISTRICT

Tom W. Davis, Manager