MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

June 7, 2004

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

RECEIVED

JUN 0 7 2004

BOB-ARTESIA

Re: Seinfeld BBK Federal #1 Section 12, T6S-R26E Chaves County, New Mexico H2S Contingency Plan $3e - c_c = -c = 117$

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 Wildcat Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Debbie L. Caffall U Regulatory Technician