



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

October 26, 2005

Yates Petroleum Corporation

105 South 4<sup>th</sup> St.

Artesia, NM 88210


Attn: Mr. Cy Cowan

RE: Yates Petroleum Corporation's: Koonunga 'Hill 'BGX', located in Section 19 of Township 22 South, Range 25 East  
(990' FNL & 660' FW- estimated BHL location) Eddy County, New Mexico, NMPM  
API # 30-015-34380

Dear Mr. Cowan or To Whom It may Concern:

In regards to the above noted well, the New Mexico Oil Conservation Division (NMOCD) is to require (in part) that drilling mud samples be caught for analysis in order to determine chloride levels. Please begin sample retrieval of mud samples in 100' intervals beginning from setting the surface casing @ 400' to down through the setting of the intermediate casing, which will be @ 2700'. Results of these tests are to be submitted to the NMOCD Artesia office no later than drilling 20 days after setting intermediate casing. If you have any questions regarding this matter, please call me.

Respectfully yours,

  
Bryan G. Arant  
PES-Artesia

CC: Well File