



YATES DRILLING COMPANY

105 SOUTH FOURTH STREET -- (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES
PRESIDENT

S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

November 3, 2000

Attn: Mr. Tim Gum
State of New Mexico
Oil Conservation Division -- District II
811 South First Street
Artesia, NM 88210

RE: Berry Fed Com #1
Township 17 South, Range 27 East
Section 28: W/2
Eddy County, New Mexico

Gentlemen:

Yates Drilling Company has elected to take over operations of the captioned well. We have submitted a workover AFE and procedure to the other working interest owners to recompleat the well in the Chester formation.

As soon as we have received election ballots from all working interest parties concerned we will move in, rig up a pulling unit commence operations and hopefully return this well to production.

We anticipate that this work will be commenced on or about December 15, 2000.

Please contact me if you have any questions concerning this matter at (505) 748-4351.

Thank you.

Very truly yours,

YATES DRILLING COMPANY

Robert Bullock
Landman

RB:bn

Enclosures:
Procedure for well workover
C-104

***Note:** This is dedicated to the W/2, not the E/2, as noted in our letter dated November 2, 2000.