



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

File Copy

12/28/01

Yates Petroleum Corp.
105 S. 4th St
Artesia, New Mexico 88210

RE: Saguaro "AGS" Fed. Com.# 8 O-14-20-24 API 30-015-26517

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 201 and 705.C.

On 2 August, 2001 a letter was sent notifying you on the violation of Rule 705. n inspection on 26 December, 2001 found no action has been taken. To date no action has been taken.

This well must be brought into compliance on or before 1 March, 2002.

Failure to bring this well into compliance by the date stated will cause further enforcement. Such enforcement can be an order to Show Cause why the bond should not be forfeited, the well plugged and civil penalties assessed.

Sincerely,

Van Barton
Field Rep. II