



IN REPLY  
REFER TO

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office  
1717 West Second Street  
Roswell, New Mexico 88201-2019

RECEIVED

SEP 22 1993

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NM 888488  
3180 (65)

CERTIFIED MAIL--RETURN RECEIPT REQUESTED  
P 665 381 051

Yates Petroleum Corporation  
Attention: Mecca Mauritsen  
105 S. 4th Street  
Artesia, NM 88210

SEP 21 1993

Re: Diligent drilling operations for the Bandana Unit No. 2

Dear Ms. Mauritsen:

We are in receipt of your non-commercial well determination dated September 2, 1993, on the Bandana Unit No. 01 well, located 2310' FNL & 660' FEL, Section 20, T. 22 S., R. 24 E., Eddy County, New Mexico. We concur that the well is not capable of producing unitized substances, and therefore is not entitled to receive a participating area.

According to Section 9 of the Unit Agreement, " Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than six (6) months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed...."

The spud date for the Bandana Unit No. 02 well will be October 23, 1993.

Should you have any questions concerning this matter, please contact Gary Gourley in the Division of Minerals at 505-627-0249.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson  
Assistant District Manager  
Minerals

cc:  
Commissioner of Public Lands (P. Martinez)  
NMOCD (Artesia)