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

January 26, 2001

NMOCD 811 South First St. Artesia, NM 88210

Attention: Brian Arrant

Re: Tracy AXW State #1 Eddy County, New Mexico

Gentlemen:

It is our understanding that the surface location of 1650' FSL and 660' FEL of Section 25, Township 21 South, Range 26 East, falls outside the city limits of Carlsbad. Enclosed is a copy of a map of Carlsbad, New Mexico showing in medium gray the extent of the city limits of Carlsbad.

Should you need anything further please let us know.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson Assistant Land Manager

JR/pjb

Enclosure(s)

