

- 2) Farnsworth Gas Com B-1E - Within 90 days, Yates Petroleum will obtain the necessary approvals and commence to perform remedial operations to re-establish the integrity of the casing annulus that is in apparent communication based on the Bradenhead Test.

Should you have any comments or need additional information, you may contact me at our Billings office or Derrick Stallings with Yates Petroleum Corp., 105 South Fourth Street, Artesia, NM 88210, telephone (505) 748-4198.

Thank you for your assistance and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Walling".

Richard Walling
Vice President - Operations

c: Derrick Stallings - Yates Petro. Corp.