



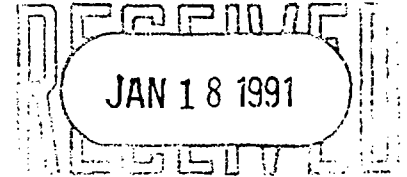
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Resource Area Headquarters
P.O. Box 1778
Carlsbad, New Mexico 88221-1778



3160 (067)
NM-39121

JAN 17 1991



Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Randy Patterson

RE: Judith AIS Federal No. 1
SESE Sec. 9, T20S, R24E
NM-39121
Eddy County, NM

Dear Randy:

Thank you for your quick response to our inquiry for geologic information concerning the Judith location. The data has proven valuable in making our decision.

After conducting an additional onsite with members of my staff and myself, I have concluded the best location for the subject well would be 560+ FSL and 560+ FEL. By moving the location approximately 100 feet to the east, there is a significant difference in the amount of cut required to build the location as well as avoid a small drainage to the north. The geologic evidence indicates such a move would place the well in a slightly thicker dolomite pay zone, however, I really doubt the minor nature of the move would have any real effect on the final downhole location.

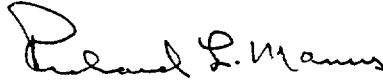
I am also aware of the expiring lease concern and the probable need for a commission hearing. In the event you need extra time, this office would be more than willing to approve a 60-day lease suspension if requested.

Please submit a revised APD face sheet and survey plat to reflect these changes in well location. Contact either myself or Tom Hare if you have any questions or concern.

YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
N.M. O.C.D. CASE NO. 10241
DATE: 02/21/91
EXHIBIT NO. 5

In accordance to 43 CFR 3165.3(b), you have the right to an Administrative Review (AR) which must be filed within twenty (20) business days from receipt of this notice. All AR requests must be filed to the BLM State Director, P.O. Box 1449, Santa Fe, New Mexico, 87504, ATTN: (922).

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard L. Manus". The signature is written in a cursive style with a large initial "R".

Richard L. Manus
Area Manager