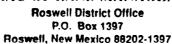


United States Department of the Interior

BUREAU OF LAND MANAGEMENT





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Yates Drilling Company 207 W. 4th. Street Artesia, NM 88210

Re: Proposed Cactus Queen Unit Chaves County, New Mexico

Gentlemen:

This office is in receipt of the information submitted by Yates Drilling Company in regards to the Proposed Cactus Omeen Unit located in Chaves County, New Mexico. This proposed unit would include the following lands:

T. 12 S., R. 31 E., NMPM, Chaves County, NM

sec. 26, SW\SW\;

sec. 34, Nana, SERNER;

sec. 35, NWŁNWŁ.

The information has been reviewed and this office believes that the subject lands would be logical for the formation of a secondary unit. If you have any questions please contact Jerry Dutchover or the Branch of Fluid Minerals at (505) 622-9042.

Sincerely,

مر Joe G. Lara

Assistant District Manager,

Minerals

Generale la Japan

YATES TORK AT 7

9809, 4810, 9823