



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

2 June 2004

Yates Petroleum Corp.
105 South 4th Street
Artesia, New Mexico 88210

RE: Approval of pit permit –
Lakewood AQE State # 1

Unit F SEC-30 T-19S R-26E API # 30-015-22233

The Oil Conservation Division of Artesia is in receipt of your application to plug. Construction of a pit(s) for the purpose of plugging is approved under your current "General Plan" with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notify OCD prior to construction of the pit(s).
4. The pit will not be used for any additional storage of fluids.
5. Upon cessation of plugging the freestanding fluid will be removed and disposed of in an OCD approved facility.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,



Van Borton