MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1920 - 1986



S. P. VATES
CHAIRMAN OF THE MOADD
JOHN A. YATES
PRECIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SCIENTARY
ORINIS G. KINSEY

105 SOUTH FOURTH STREET ARTESIA, NEW MÉXICO 88210-2118 TELEPHONE (\$05) 748-1471

July 27, 2004

To: Bryan Arant From: Cy Cowan

Re:

Yates Petroleum Corporation Cuadrito AZL Federal #2 H2S Contingency Plan 30-015-34202

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Chester Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Cy Cowan Regulatory Agent

