

Harvey E. Yates Company

September 6, 2005

Chris Beadle New Mexico Energy, Minerals & Natural Resources Department 1301 W. Grand Artesia, NM 88210



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Dear Mr. Beadle:

The problems identified in your Notice of Violation – Inspection letter dated 02-August-2005 have been corrected. Our field manager informed me that the work was performed 8/10/05 each site was tilled and microblazed.

Scribner 5 #1 Remediation required as per iCLB0521337377.

Microblazed site with 268 gallons water & 3% microblaze.

Arco 5 Federal #1 & #2 Remediation required as per iCLB0521337944.

#1 well was microblazed 3% with 257 gallons of water; the #2 well was

microblazed with 3% and 110 gallons of water.

Cholla 1 Federal #4 Remediated by

Remediated by re-tilling and microblazing.

Bola 7 Federal #2

Remediated by re-tilling and microblazing.

We also remediated the well signs for the following wells:

Power Deep Mesquite 2 #5

Empire South Deep Unit (ESDU) #13

These sites are in compliance and ready to be inspected as to work performed. Should you have any further questions, please contact our office at (505)623-6601.

Thank you,

Jeanetta Atkinson

Harvey E. Yates Company

(505) 623-6601

RBDMS UPBARED