

#1 Sunwest Centre  
P.O. Box 1933  
Roswell, NM 88202  
Voice: (505)623-6601  
Fax: (505)624-5321



# Harvey E. Yates Company

September 6, 2005

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

RECEIVED  
SEP - 9 2005  
RBD-ARTEZIA

|                    |                        |                    |              |
|--------------------|------------------------|--------------------|--------------|
| RE: iCLB0521337377 | Scribner 5 Federal #01 | 30-015-25695-00-00 | H-05-18S-31E |
| iCLB0521337944     | Arco 5 Federal #02     | 30-015-26258-00-00 | G-05-18S-31E |
|                    | Arco 5 Federal #01     | 30-015-26197-00-00 | E-05-18S-31E |
| (additional wells) | Cholla 1 Federal #04   | 30-015-32834-00-00 | H-01-18S-31E |
|                    | Bola 7 Federal #02     | 30-025-35381-00-00 | A-07-18S-32E |
|                    | Power Deep Fed Com #1  | 30-015-31572-00-00 | P-31-17S-31E |
|                    | Mesquite 2 #05         | 30-015-25533-00-00 | N-02-18S-31E |
|                    | ESDU #13               | 30-015-22000-00-00 | N-30-17S-29E |

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 re-tilling and microblazing.

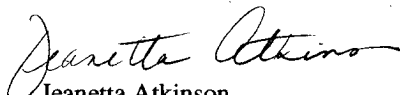
**Bola 7 Federal #2** Remediated by re-tilling and microblazing.

**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 UPDATED