



Harvey E. Yates Company

A MEMBER COMPANY OF HEYCO ENERGY GROUP

April 13, 2006

Mike Bratcher
NMOCD District 2
1301 W. Grand Avenue
Artesia, NM 88210

RE: Cedar 32 State 002
C-141 1/11/06
30-015-31808
K-32-17S-31E
Eddy County, NM

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APR 14 2006
OCD-ARTECOM

Dear Mr. Bratcher:

We are sending this in answer to our conversation on March 27, 2006 regarding remediation for an illegal dumping event January 10, 2006. In reference to the water table depth, Harvey E. Yates Company has determined that there is no threat to the surface or usable water in this area and has taken no further action at this time.

Should you have any questions, please contact me at 623-6601 ext 1219.

Respectfully,

Keith Cannon
Drilling Supt.
Harvey E. Yates Co.
kcannon@heycoenergy.com

NMLB0608250503