MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



CHAIRMAN OF THE BOARD JOHN A. VATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

S. P. YATES

## 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

September 7, 2004

RECEIVED

SEP 0 8 2004

OCD-ARTERIA

To: Bryan Arant From: Cy Cowan

Re:

Yates Petroleum Corporation

Arley Federal Unit #3

H2S Contingency Plan 30 - 015 - 3464/

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