

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



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TREASURER

July 6, 2004

Mr. Bryan Arrant
Oil Conservation Division, District II Office
1301 W. Grand Ave.
Artesia, NM 88210



Re: Barracuda State Unit #1
1680' FNL and 800' FEL
Section 5, T10S-R27E
Chaves County, New Mexico
H2S Contingency Plan
30-cen-63679

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will be no H2S anticipated from the surface to the Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Robert Asher
Regulatory Agent