

O'Briant & Associates, Inc.

P. O. Box 10487 Midland, TX, 79702
(432) 683-5511 (24 Hr. Ans), (432) 683-5903 (Fax)
E-Mail: cobriant@apex2000.net

RECEIVED
SEP 19 2005
OCD-ARTESIA

Mr. Chris Beadle
Inspector
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
District 2
1301 W. Grand
Artesia, New Mexico 88210

September 15, 2005

Subject: Notice of Violation – Inspection #iCLB0522840819
Yates Energy Corporation
Lonesome Dove Federal No. 001
API #30-015-26072

The violations mentioned in your letter of August 16, 2005 will be corrected as follows:

A new well sign has been made and will be in place sometime during
The day on September 19, 2005.

A letter stating that the above actions have been completed will be sent to your office.

Truly yours,



Sheryl L. Jonas
Agent for Yates Energy Corp.

SJ

RBDMS DONE



682-4457

MARCUS

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

16-Aug-05

YATES ENERGY CORP

PO BOX 2323

ROSWELL NM 88202

TO MARCUS
A-1 SIGN
1-PAGE

this is New Mexico

NOTICE OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

LONESOME DOVE FEDERAL No.001

N-26-23S-23E

30-015-26072-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2005	Routine/Periodic	Chris Beadle	Yes	No	9/16/2005	ICLB0522840819

Violations

Missing Well Identification Signs (Rule 103)

Comments on Inspection: Well sign is not legible. Please contact NMOCD District 2 Office when well sign is corrected.

Well # 001
Lonesome Dove Federal

ext 107 Chris Beadle

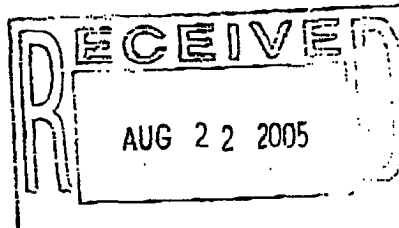
Yates Energy Corporation

600' FSL + 1810' FWL Unit Letter N dec 26, T-23-S, R-23-E

Eddy Co., NM

API # 30-015-26072-00-00

Color
White Background
Red engraving



Bill to YATES ENERGY CORP
900 Briant + Assoc
P.O. Box 10487
Midland, TX 7970

Oil Conservation Division • 1301 W. Grand • Artesia, New Mexico 88210

Phone: 505-748-1283 • Fax: 505-748-9720 • <http://www.cmnrd.state.nm.us>

THANKS Sheryl JOWAS

Phone 683-5511

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.