



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 4, 2005

Yates Petroleum Corporation
105 South 4th St.
Artesia, NM 88210
Attn: Mr. Cy Cowan

**RE: Yates Petroleum Company; Sober 'BEZ' Federal # 1, located in Section 35 of Township-20-South,
Range-29-East, 1980' FSL & 1980' FEL, Eddy County, New Mexico, NMPM
API # 30-015-34334**

Dear Cy,

In regards to the above captioned well, the Oil Conservation Division (NMOCD) will require (in part) that Yates Petroleum Company is to catch from the flow line, drilling mud samples in order to determine the chloride levels while drilling through the Capitan reef. Please begin testing at a depth of @ 1900'-3250, every 100'. The results of the chloride tests are to be submitted to the NMOCD District II office here in Artesia. Please call if you have any questions regarding this matter.

Yours truly,

Bryan G. Arrant
PES