

Arrant, Bryan, EMNRD

To: Cy@ypcnm.com

Subject: Yates Petroleum Corporation Tracy AXY State # 2/API # 30-015-33552

November 3, 2006

Dear Mr. Cowan,

Please find the attached letter pertaining to the condition of approval for the above noted well.

In addition per our conversation today, please note the additional information which the New Mexico Oil Conservation will require for the approval of this permit.

(1) an applicant for a permit to drill any well within the corporate limits of any city, town or village of this state shall give notice to the duly constituted governing body of such city, town or village or its duly authorized agent and certify on form C-101 that it gave such notice;

Very truly yours,

Bryan G. Arrant
District II Geologist
NMOCD-Artesia
505-748-1283 ext. 103

cc: well file

11/3/2006