



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

14 February 2002

Yates Petroleum Corp.
105 S. 4th Street
Artesia, New Mexico 88210

RE: State 25 Com # 2 N-25-10-26 API 30-00562722 Violation of Rule 201.B

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 201.B

On 28 January, 2002 I placed a call with Susan Herpin. In that conversation the OCD requested a C-103 detailing what plans Yates Petroleum had for this well. To date we have not received that form. This well must be brought into compliance as it is still in violation of Rule 210.B. To bring this well into compliance you have 3 options:

1. Put the well into production.
2. T.A. the well.
3. P. A. the well.

This well must be brought into compliance on or before 31 March, 2002.

Failure to bring this well into compliance by the date stated will cause further enforcement. Such enforcement can be an order to Show Cause why the bond should not be forfeited, the well plugged and civil penalties assessed.

Sincerely,

Van Barton
Field Rep. II