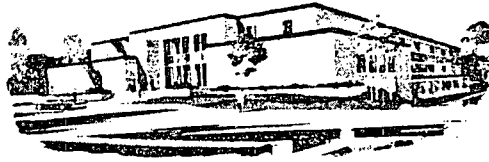


State of New Mexico

#7890



JIM BACA
COMMISSIONER



Commissioner of Public Lands

August 8, 1984

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Marshall R. Young Oil Co.
750 West Fifth St.
Fort Worth, Tx. 76102

Re: Termination of Bisbee Hills Unit
Luna County, New Mexico

Gentlemen:

The Bureau of Land Management has notified this office that the Bisbee Hills Unit Well No. 1 was Plugged and Abandoned on September 15, 1983 and your agreement has subsequently been terminated.

Paragraph 9 of your unit agreement required the commencement of the next unit well to be commenced within six months from September 15, 1983. In view of no additional drilling activity within the Bisbee Hills Unit area, this office also considers your agreement to have automatically terminated as of March 15, 1984, being six months from the date the initial obligation well was completed.

Please advise all interested parties of this action.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico Attention: Mr. Armando Lopez