



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
South Central Region
GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125

JUL 13 1981

Holly Energy, Inc.
P. O. Box 726
Artesia, New Mexico 88210

Gentlemen:

Your Application for Permit to Drill well No. 1 Salt Lake South Deep in Lot 2 sec. 6, T. 21 S., R. 32 E., N.M.P.M. Lea County, New Mexico, lease NM-40626, to a depth of 14,100 feet to test the Morrow formation in the Oil-Potash area, is hereby approved, as amended by stipulations attached to the application. The well is to be directionally drilled from a surface location in Lot 8 sec. 6 to a bottom location in the Morrow formation within 200 feet of the center of Lot 2 of said sec. 6.

One copy of the application is returned herewith. Please notify the Supervisory Petroleum Engineering Technician, Geological Survey, Hobbs, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

(ORIG. SCD.) GENE F. DANILL

Deputy Conservation Manager
Oil and Gas

Enclosure

cc: NMOCD, Hobbs (2) (w/enclosures)