

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

July 13, 1988

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148Yates Petroleum Corporation
Attn: Ms. Kathy Colbert
105 South Fourth Street
Artesia, New Mexico 88210Re: Panther Hill Unit
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of July 6, 1988, wherein you have advised this office that the two test wells in the captioned unit have been plugged and abandoned and have requested a six month time extension from July 25, 1988 within which to commence the next unit well.

Please be advised that the Commissioner of Public Lands has this date granted you a six-month extension to January 25, 1989. It is our understanding that at the end of this extended time period you will commence drilling the third unit well or terminate the unit agreement. This action is subject to like approval by the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDSBY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744WRH/FOP/pm
encls.
cc: OCD
BLM