

C/SK

MAR 16 1993

3160 (067)
NM-54298

CERTIFIED---RETURN RECEIPT REQUESTED
P 864 875 228

Yates Petroleum Corporation
Attention: Ken Beardemphl
105 South Fourth Street
Artesia, NM 88210

RE: Amaranth "AMG" Federal COM Well No. 1
NM-54298
1310' FNL & 2630' FEL, Sec. 12, T20S, R30E
Eddy County, New Mexico

Dear Mr. Beardemphl:

On December 14, 1992, Yates Petroleum Corporation filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from minable ore zones that potash resources should not be impacted.

This lease is currently in suspension. You have 90 days from date of approval to commence operations. The lease suspension terminates on the first day of the month in which actual operations are commenced or on the first day of the month following the end of 90 days from the date of approval, whichever comes first. Once the suspension terminates, there will be 28 days left on the primary term of the lease.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

/s/ Monte G. Jordan

for Larry L. Woodard
State Director

1 Enclosure

bcc:

NM (910, L. Woodard)
NM (920, R. Smith)
NM (060, L. Cone)
NM (060, A. Lopez)
NM (067, T. Herrell) ✓