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FEB 24 1997

NADEL AND GUSSMAN PERMIAN, L.L.C.

3200 FIRST NATIONAL TOWER

TULSA, OK 74103

(918) 583-3333 (P)

(918) 583-0888 (F)

OIL CON. DIV.
DIST. 2

Via Mail and Fax

Re: Yates-King #1
22K-23S-26E
Eddy, NM
Notice of Intention to P&A

February 21, 1997

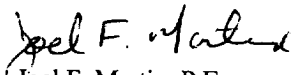
Mr. Brian Arrant
New Mexico Oil Conservation Division, District II
811 S. First Street, P.O. Drawer DD
Artesia, NM 88210

Dear Mr. Arrant:

Pursuant to our telephone discussion earlier today, attached you will find a C-103 which incorporates all the revisions that the OCD required. You will also find attached before and after P&A wellbore sketches, and a letter from the current operator, National Energy Group, which authorizes Nadel and Gussman Permian LLC (NGP) to assume the role of operator for abandonment operations.

Nadel and Gussman Permian, LLC (NGP) would greatly appreciate your prompt review and approval. If all is in order, please fax an approved copy to my attention at the above listed number. Do not hesitate to contact me should you have any questions.

Sincerely,



Joel F. Martin, P.E.
Engineering Manager

attachments