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DEC 23 1992

3160 (067)
NM-80645

CCC-11-19-92

DEM 12/16/92

JGP 12/18/92

CERTIFIED--RETURN RECEIPT REQUESTED
P 864 872 892

RECEIVED

Yates Petroleum Corporation
Attention: Clifton R. May
105 South Fourth Street
Artesia, NM 88210

DEC 1 1992

O. C. D.
ARTESIA, NM

fmCone
12-18-92

RE: Lily "ALY" Federal Well No. 3
NM-80645
1980' FNL & 1980' FEL, Sec. 3, T24S, R31E
Eddy County, New Mexico

Dear Mr. May:

On November 13, 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 mineable ore zones that potash resources should not be impacted.

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

Sincerely,

Larry L. Woodard

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)

067:CCranston:ls:11/17/92:A:\3Lily#3.AL