

January 31, 1991

Yates Pet. Corp.
105 South Fourth St.
Artesia, N.M. 88210

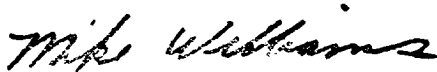
Re: Compadre AIQ State
#1-I-34-11-27

Gentlemen:

One hundred eighty days have elapsed since approval of Division form C-101, Application for Permit to Drill, for the subject well. To date no progress reports, forms C-103 have been received.

Therefore, Division approval of form C-101 has now expired and no drilling operations are to be initiated or continued without further notice to and approval by the Division. Pending such approval, this will be considered an abandoned location.

Very truly yours,



Mike Williams
Supervisor, District II

MW/cw

*Per ID-2
2-8-91
Exp INT*