February 7, 1991

TXO Production Corporation 415 West Wall, Suite 900 Midland, TX 79701

Gentlemen:

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Your Application for Parmit to Drill, Deepen, or Plug Back (APD) for

Wells: Yates Federal No. 7, Lease NM-01165, Sec. 18, T. 20 S., R. 29 E.
Yates Federal No. 8, Lease NM-01165, Sec. 17, T. 20 S., R. 29 E.
Yates Federal No. 9, Lease NM-01165, Sec. 17, T. 20 S., R. 29 E.
Yates Federal No.11, Lease NM-01165, Sec. 18, T. 20 S., R. 29 E.
Yates Federal No. 15, Lease NM-01165, Sec. 17, T. 20S., R. 29 E.

have been cancelled.

The APD is considered expired if drilling activity has not commenced within one year after approval. Should you desire to drill this well at a later date, you will be required to re-submit the proper forms for approval.

Sincerely,

12 Mann

Richard L. Manus Area Manager

Post IP-2 2-22-91 EEp Int

CIST

cc: RDO NMOCD (Artesia/Hobbs)