

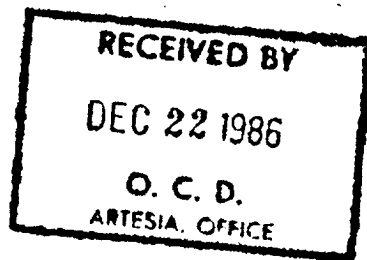
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3162.4

NEW OIL CONS. COMMISSION
P.O. Box 13
Artesia, NM 88210

December 16, 1986

Yates Petroleum Corporation
105 So. 4th St.
Artesia, NM 88210



Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well One Tree Unit No. 3, Lease No. NM-24343, 1650 FNL and 330 FWL, Section 32, T. 13 S., R. 16 E., has 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,

A handwritten signature in cursive script, appearing to read "Charles Dahlen".

Charles Dahlen
Area Manager

Post ID-2
12-26-86
Exp. INZ.