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S. P. YATES
PRESIDENT
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JOHN A. YATES
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B. W. HARPER
SEC. TREAS.

August 6, 1982

USGS
Federal Building
Roswell, NM 88210

ATTN: George Stewart

Gentlemen:

Re: Sun 'UW' Federal #1
Sun 'UW' Federal #2

Yates Petroleum Corporation has submitted applications to drill wells on surface patented to Harry G. Huston, Estate, c/o Alice H. Cushing, 1605 Bayita Lane NW, Albuquerque, NM. These wells are located in Section 10 T8S R33E 660' FNL & 660' FEL and 1650' FNL & 330' FEL.

In a phone conversation with Mrs. Cushing it was agreed that we would compensate her monetarily for the surface damages incurred. After drilling has been completed the pit area will be leveled after they are dry and along with the pad will be left to reseed naturally.

Sincerely,

Yates Petroleum Corporation

Cy Cowan
Regulatory Coordinator

CC/jkh