

30-02-31721

3160(067)
NM-59392

SEP -4 1992

CERTIFIED--RETURN RECEIPT REQUESTED
P 864 869 061

Yates Petroleum Corporation
Attention: Clifton R. May
105 South 4th Street
Artesia, NM 88210

Re: Lusk "AHB" Federal Well No. 7
NM-59392
1980' FNL & 2030' FWL, Sec. 35, T19S, R32E
Lea County, New Mexico

Dear Mr. May:

On February 12, 1992, Yates Petroleum Corporation filed an Application For Permit to Drill (APD) at the above referenced location. I am happy 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 the ore zones that potash resources should not be impacted.

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

Sincerely,

/s/ Frank Splendoria

for Larry L. Woodward
State Director

11) /enclosure