P.O. DRAWER 1857 ROSWELL, NEW MEXICO 88201

January 25, 1983

Harvey E. Yates Company P.O. Box 1933 Roswell, NM 88201

> Lease No. NM-036852 Well No. 2-Young Deep 3 Federal Sec. 3, T. 18'S., R. 32 E. Lea County, New Mexico

Gentlemen:

The Application for Permit to drill the subject well was approved for a one year period. Since drilling operations were not commenced within the one year period the Permit to Drill is terminated.

If you decide to drill this well at a future date, you should resubmit the Application for Permit to Drill.

Sincerely yours,

(ORIG. SGD.) ARMANDO A. LOPEZ

James A. Gillham District Supervisor Oil and Gas

cc: BLM-Carlsbad District Lease File Sub-District-Hobbs Regional File MMOCD-Hobbs RCF Jack Bryan

AALopez/1a/1-25-83