March 27, 1987

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

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back, (APD) for Well Sweeney ADU Federal No. 1, Lease No. LC-065123, Section 26, T. 18 S., R. 32 E., 2310 FSL and 2310 FEL, 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 approxal.

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Sincerely,

Linda S.C. Rundell Acting Area Manager