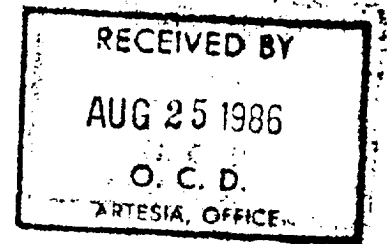


August 20, 1986

J. M. Huber Corporation
1900 Wilco Building
Midland, Texas 79701



Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well Federal 12 No. 2, Lease No. NM-4987, 890 FSL and 2310 FEL, Section 12, T. 21 S., R. 27 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,

Charles S. Dahlen
Area Manager

Post FD-2
8-29-86
Exp. Int.