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3160(067)

NM-031963

CCC-11-10-92

Rem 11/20/92

A. H. Lopez 11/24/92

J. N. Cone
11/24/92

CERTIFIED--RETURN RECEIPT REQUESTED
P 696 486 661

Merit Energy Company
Attention: Russell Whited
12221 Merit Drive, Suite 500
Dallas, TX 75251

RE: Sundance Federal Well No. 2
NM-031963
1250' FNL & 1250' FWL, Sec. 4, T24S, R31E
Eddy County, New Mexico

Dear Mr. Whited:

On October 30, 1992, Merit Energy Company filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased 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 in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

Larry L. Woodard

Larry L. Woodard
State Director

1 Enclosure

bcc:

NM (910, L. Woodard)
NM (920, R. Smith)
NM (060, A. Lopez)
NM (060, L. Cone)
NM (067, T. Herrell)

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