

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 29, 2006

McElvain Oil & Gas Properties 1050 17th St Ste 1800 Denver CO 80265

Re: Wildwood #3

Sec 05-T29N-R13W San Juan Co., NM 30o-045-33428

Gentlemen:

Please be advised that your permit to drill the referenced well has expired and has been cancelled. If drilling operations have commenced, you should contact this office immediately.

If you wish to drill the well in the future, it will be necessary to submit a new Form C101, Application to Drill, and drilling package for review and approval.

Sincerely,

Karen Sharp

Compliance Officer, District III

Faren Sharp

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Well File