

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO: 3162.3-1 (211)

February 14, 2007

D.J. Simmons, Inc. 5578 Attn: Craig Starkey 1009 Ridgeway Place Farmington, NM 87401

Dear Mr. Starkey

As per our telephone conversation, you picked up the following unapproved Application for Permit to Drill (APD) for the following well(s):

L.V. Hammer B #1C, located 694' FSL and 850' FEL, Section 29, T29N, R 9W, San Juan County, New Mexico on Federal lease No. NMSF 080245B API#30-045-30646

Simmons E #1C, BH: located 670'FNL and 670'FWL, Section 26, T29N, R9W, Rio Arriba County, New Mexico on Federal lease No. NMSF-080247A API # 30-045-30648

Simmons E #1B, BH: located 2250' FNL and 670'FEL, Section 26, T29N, R9W, San Juan County, New Mexico on Federal lease No. NMSF080000A API # 30-045-30467

In the future if you decide to be drilled the wells, a new API number will be issued per Steve Hayden at NMOCD.

If you have any questions, contact Cynthia Marquez at (505) 599-8935.

Cynthia Marquez,

Legal Instrument Examiner Petroleum Team

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