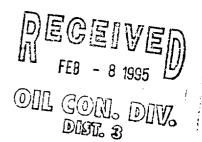
JAN 0 6 1995

NMNM-87300 et al. (WC) 3162.3-1.0 (07337)

Speerex Limited Partnership Attn: Mr. Brian Wood P. O. Box 255

Farmington, New Mexico 87499-0255



Dear Mr. Wood:

Reference is made to your Application for Permit to Drill (APD) Well No. 2 Mustang Flats, 2310' FSL & 1650' FWL (NE¼SW¼), Section 20, T. 25 N., R. 13 W., Federal Lease No. NMNM-87300, San Juan County, New Mexico. Due to no report of drilling operations commencing prior to expiration, the subject APD has expired as of August 04, 1994 and is hereby returned. Any expired APD may be resubmitted at any time when definite drilling plans are formulated.

You are required to request surface rehabilitation instructions from this office if any construction activities have occurred on the referenced drill site. If this office does not receive comment within 30 days, it will be presumed that no construction occurred. Later discovery that construction activities have occurred, may result in assessment of liquidated damages.

If you have any questions, please contact Mr. Errol Becher of this office at (505) 599-6358.

Sincerely,

Isl Ken Jownsend

Ken Townsend Chief, Branch of Drilling and Production

Enclosure

ABANDONED LOCATION

cc:

New Mexico Oil Conservation Division, Aztec, NM