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3103.4-2 (065)
NM-77067

C. W. Trainer
Attention: Mr. C. W. Trainer
8090 East Kalil Drive
Scottsdale, AZ 85260

NOV 07 1994

Re: Well No. 1-Rush
SE 1/4 sec. 25, T. 24 S., R. 32 E.
Lea County, New Mexico
Federal lease NM-77067

Gentlemen:

Your letter dated July 28, 1993, requesting a suspension of operations for lease NM-77067 was approved by our letter dated August 16, 1993. The original primary term expiration date of lease NM-77067 was August 31, 1993.

Pursuant to the provisions of 43 CFR 3103.4-2, approval for the suspension of operations on lease NM-77067 was granted for an indefinite period of time. The suspension was effective July 1, 1993, the first day of the month in which the request for suspension was filed. A Sundry Notice (Form 3160-5) in lieu of an Application for Permit to Drill (APD) was filed by you on July 28, 1993, with the Bureau of Land Management, Carlsbad Resource Area (CRA) office, to facilitate the drilling (reentry) of a 15973 foot gas well at the above referenced location on lease NM-77067 was approved November 5, 1993.

Per your telephone conversation with David Glass on November 4, 1994, it was confirmed that operations on the well had not yet been commenced. Since operations were not commenced by December 5, 1993, thirty (30) days from the approval date of the APD, the suspension terminated on the first day of the following month (January 1, 1994). When the suspension terminated, there were sixty-one (61) days left on the primary term of lease NM-77067. Therefore, the primary term expiration date of lease NM-77067 was extended to March 3, 1994. Accordingly without production or other activity to extend it, lease NM-77067 is considered to have expired March 3, 1994, the end of the primary term of the lease.

Please contact David Glass at (505) 627-0275 or at the letterhead address if any additional information is required.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals

CC:
MMS, Denver (3240)
Oil Reports and Gas Services Inc.
Attention: Ms. Donna Holler
P. O. Box 755
Hobbs, NM 88241
NM (94362)
NM (065, B. Loper, D. Glass, A. Stiggins)
NM (067, S. Shaw, E. Inman)

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