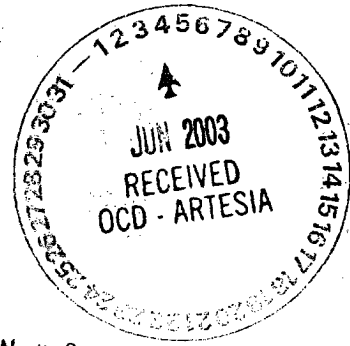




# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, NM 88220-6292



In Reply Refer To:

3162.4 (080)

NM-0560353, NM-98799,

NM-104649, NM-105214

JUN 03 2003

Chi Operating, Inc.  
P. O. Box 1799  
Midland, TX 79702

Gentlemen:

Your Applications for Permit to Drill (APDs), for the following wells have expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

NM-0560353 Munchkin Federal #4 1980'S & 660'W  
APD was approved on 05/04/01, last approved APD extension expired on 05/04/03

30-015-31779 ✓  
Sec. 01, T.19S, R.30E

NM-98799 McIver Federal #1 1000'N & 1720'E  
APD was approved on 12/26/01

" - 32147 ✓  
Sec. 20, T.22S, R.25E

NM-104649 Nugget Fed. Com. #1 1650'S & 1963'E  
APD was approved on 12/11/01

" - 32132 ✓  
Sec. 11, T.22S, R.25E

NM-105214 Spruce Federal #1 1880'S & 1650'W  
APD was approved on 07/18/01

" - 31902 ✓  
Sec. 30, T.16S, R.30E

If drilling operations have commenced on the referenced wells, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies for each well ) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, so we may correct our records.

If the wells have not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.