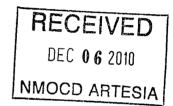
6733 South Yale Avenue, 74136 (918) 494-0000

December 2, 2010

Mr. Randy Dade State of New Mexico Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

Re: Muse Federal #1 Sec. 21-23S-31E Eddy Co., NM API 015-05842



Dear Sir:

The subject well appears on our operated wells' shut-in list. This well was actually P&A'd 6/2/62 by Patoil Corporation and has remained as such to present date. In 1994, Kaiser-Francis made application & received an approved APD from the Bureau of Land Management to re-enter said well. KFOC, in turn, made application through the NMOCD for a permit to convert to SWD. However, operations were never initiated and our permit expired. It is our request; therefore, that subject well be removed from our shut-in list at your earliest convenience.

Thank you for your cooperation in this matter. If any further information is necessary, please feel free to contact me.

Sincerely,

Charlotte Van Valkenburg Technical Coordinator

Attachment



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters P.O. Box 1778 Carlsbad, New Mexico 88221-1778

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FEB 1 5 1996

Kaiser Francis Oil Co.

IN REPLY REFER TO: 3162.3-1 (067) NM-38464

FEB 1 2 1996

Kaiser-Francis Oil Company P. O. Box 21468 Tulsa, Oklahoma 74121-1468

Gentlemen:

Your Application for Permit to Drill (APD), approved June 24, 1994 for the Wuse Federal Well No. 1810cated 659 feet FSL and 660 feet FEL, Section 21, T. 23 S., R. 31 E., Eddy County, New Mexico, Lease No. NM-38464, has 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.

If drilling operations have commenced on the referenced well, please contact this office at (505) 887-6544 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) so we may correct our records.

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

If you wish to drill this well at a later date, please submit a complete application (1 original and 5 copies). Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing.

Sincerely,

Richard L. Manus

Area Manager

cc: BLM-Roswell District Office

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NMOCD ARTESIA