



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM-101594

3162.4 (P0220)

FEB 14 2011

RECEIVED

FEB 21 2011

HOBBSUCD

SM Energy Company
3300 North A Street, Bldg. 7, Ste. 200
Midland, TX 79705

Gentlemen:

Your Application for Permit to Drill (APD) the following referenced well has expired because drilling has not commenced within two years of the approval date as stated in Onshore Order #1.

NM-101594 Gail 25 Federal #1 960'/N. & 330'/E., sec. 25, T. 16 S., R. 28 E.
APD approved on, December 19, 2008, APD expired on December 19, 2010

30-015-36873

If a well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced on a well send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM, so we may correct our records.

If you wish to drill this well at a later date, please submit a complete application (1 original and 3 copies) to this office. 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.

If you have any questions please contact Betty Hill at (575) 234-5937.

Sincerely,

Don Peterson
Assistant Field Manager,
Lands, & Minerals

bcc:

P0221, I&E CFO

NMOCD Artesia

Accepted for record - NMOCD

2011-02-21 3-8-11

dm