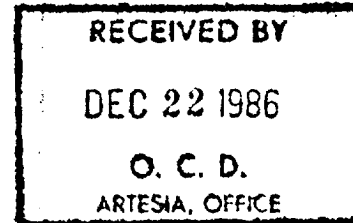


NEW OIL CONS. COMMISSION
DENVER CO
ARTESIA, NM 88210

3162.4

clsf

December 16, 1986



Siete Oil & Gas Corporation
P. O. Box 2523
Roswell, New Mexico 88201

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well Dalton Federal No. 2, Lease No. NM-14340, 990 FWL and 2310 FWL, Section 29, T. 17 S., R. 29 E., has been cancelled.

The APD is considered expired if drilling activity has not commenced within one year after approval. Should you desire to drill this well at a later date, you will be required to re-submit the proper forms for approval.

Sincerely,

Charles Dahlen
Area Manager

Post ID-2
12-26-86
Exp. Int.