

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Resource Area Headquarters P.O. Box 1778 Carlsbad, New Mexico 88221-1778

IN REPLY REFER TO:

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3162.3-1 (067) NM NM-34247

Collins & Ware, Inc. 303 W. Wall Ste. 2200 Midland, Texas 79701 NOV 0 7 1994

Gentlemen:

Your Application for Permit to Drill (APD), the Sheep Draw Federal Well No. 7,660 feet FS L and 660 feet FW L, Section 28, T.22 S., R. 26 E., Eddy County, New Mexico, Lease No. NM NM-34247, has been cancelled because drilling has not commenced within one year of approval as stated in the General Requirements For Oil And Gas Operations On Federal Leases.

If construction activities have occurred on the referenced drill site, please contact this office at (505) 234-5272 for surface restoration instructions.

If you wish to drill this well at some later date, please refile your application.

Sincerely,

Scott Pour

Richard L. Manus Area Manager