

c/94

MAR 30 1993

3160 (067)
NM-031963

CERTIFIED--RETURN RECEIPT REQUESTED
P 864 875 247

Merit Energy Company
Attention: Russell Whited
12221 Merit Drive, Suite 500
Dallas, TX 75251

RE: Sundance Federal Well No. 3
NM-031963
660' FNL & 660' FEL, Sec. 5, T24S, R31E
Eddy County, New Mexico

Dear Mr. Whited:

On January 5, 1993, Merit Energy Company filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from minable ore zones that potash resources should not be impacted.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

Monte G. Jordan

Larry L. Woodard
State Director

1 Enclosure

bcc:

NM (910, L. Woodard)

NM (920, R. Smith)

NM (060, L. Cone)

NM (060, A. Lopez)

NM (067, T. Herrell)✓