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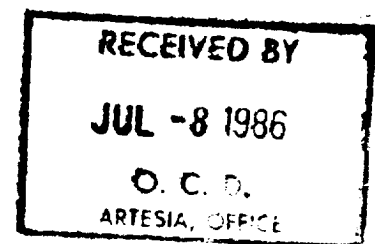


July 7, 1986

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
PO Drawer DD  
Artesia, New Mexico 88210

Attn: Les A. Clements/Supervisor District II

RE: Drilling Permits  
Burton Flat Deep Unit #38 & #39  
Sec. 2-T21-S-R27-E  
East Avalon Bone Springs Field



Dear Mr. Clements:

As per our conversation today, attached is the letter dated Jan. 24, 1986 by Monsanto Oil Company (now BHP Petroleum) requesting a permit extension for the above referenced wells. We anticipate drilling the #38 well within two months and depending on the results of #38, drilling #39 3-6 months afterwards. Please extend our permits for these wells by 3 months for #38 and 9 months for #39.

Yours very truly,

A handwritten signature in dark ink, appearing to read "D. E. Brown".

D. E. Brown  
Regional Manager

JLR/ac

OK TO EXTEND AN ADDITIONAL 180 DAY ON  
BURTON FLAT DEEP UNIT #38 X 2-21-27  
& BURTON FLAT DEEP UNIT # 39 W 2-21-37 ✓  
THIS EXTENSION IS FROM 10-24-86 TO 4-24-87  
EXTENSION WAS PREVIOUSLY GIVEN FROM 4-24-86 TO 10-24-86