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August 2, 1988

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O. C. D. ARTESIA, OFFICE

2-30.60

ARCO 011 & Gas Company v P. O. Box 1610 Midland, TX 79702

Gentlemen:

Your Application for Permit to nrill, Deepen, or Plug Back (APD) for Well Federal 11 No. 2, Lease No. NM-54184, 1980 FSL and 2205 FEL, Section 11, T. 18 S., R. 28 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,

Richard L. Manus Area Manager

cc: RDO NMOCD (Artasis/Hobbs)