

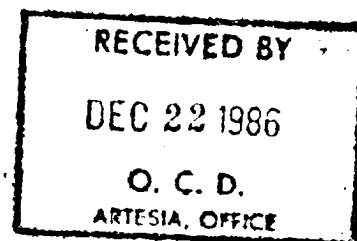
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3162.4

PERMITS CONTROL
ARTESIA, NM 88210

December 16, 1986

Cantro Exploration, Inc.
909 ME Loop 410, Suite 711
San Antonio, TX 78209



Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well Hanson Federal No. 1, Lease No. NM-0557729, 330 FSL and 990 FEL, Section 20, T. 19 S., R. 31., 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,

A handwritten signature in cursive script, appearing to read "Charles Dahlen".

Charles Dahlen
Area Manager

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