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MAY 30'89

May 23, 1989

O. C. D. Artesia, office

Fred Pool Drilling Company P. O. Box 1393 Roswell, NM 88201 Dear Sir: Your Application for Pemmit to Drill, Deepen, or Plug Back (APD) for Well Arco Federal No. 1, Lease No. NM-54403, 760' FSL and 660'/FWL, Section 34, T. 17 S., R. 29 E., has been cancelled. The RPD 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. Alama

Richard L. Manus Area Manager

cc: RD0 / NMOCD (Artesia/Hobbs)

Розт I0-2 6-2-89 Ехр. Int.