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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters

P.O. Box 1778

Carlsbad, New Mexico 88221-1778

IN REPLY REFER TO:

3162.3-1 (067)
NM-031963

Merit Energy Company
12221 Merit Drive, Suite 500
Dallas, TX 75251

MAR 24 1995

Gentlemen:

Your Application for Permit to Drill (APD) approved July 16, 1993 for the Sundance Fed Well No. 16, located 660' feet FSL and 1980' feet FGL, Section 5, T. 24 S., R. 31 E., Eddy County, New Mexico, Lease No. NM-031963, has expired because drilling has not commenced within one year of the approval date as stated in the General Requirements For Oil And Gas Operations On Federal Leases.

If drilling operations have commenced on the referenced well, please contact this office at (505) 887-6544 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) so we may correct our records.

If the well has not been spudded but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.

If you wish to drill this well at a later date, please submit a complete application (1 original and 5 copies). Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing.

Sincerely,

Richard L. Manus

Richard L. Manus
Area Manager

*Post ID-2
8-4-95
Exp INT*

*Exp INT
JUL 26 1995*

RECEIVED

JUL 20 1995

OIL CON. DIV.
DIST. 2