

Gentlemen:

Your Application for Fermit to UTILL (AFD) approved September 21, 199 for the James Ranch Unit Nell No. 35, located 660' feet PNL and 660' feet P EL, Section 1, T. 23 S., R. 30 E., Eddy County, New Mexico, Land Hu. MB 02004 D , has appled because defiling has not constanted 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 commanced on the referenced well, plasse contact this office at (505) 887-6544 and send all necessary reports (spud, casing/commenting, etc., 1 original and 5 copies) so we may correct cur 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 3D 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 belp expedite the processing.

Sincerely,

Richard L. Manus Area Manager

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