



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters
620 E Greene Street
Carlsbad, New Mexico 88220-6292

IN REPLY REFER TO:
3162.3-1 (067)
NM-45236

JUL 12 1996

Santa Fe Energy Resources Inc.
550 W. Texas, Suite 1330
Midland, Texas 79701

Gentlemen:

Your Application for Permit to Drill (APD), approved May 17, 1995 for the Sterling Silver "33" Federal Well No. 15 located 1980 feet FNL and 990 feet FEL, Section 33, T. 23 S., R. 31 E., Eddy County, New Mexico, Lease No. NM-45236, 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,

/s/ TIMOTHY J. BURKE

Richard L. Manus
Area Manager

cc: BLM-Roswell District Office
I & E-(Carlsbad/Hobbs)
NMOCD (Artesia/Hobbs)

Part ID-2
9-6-96
Exp INT