

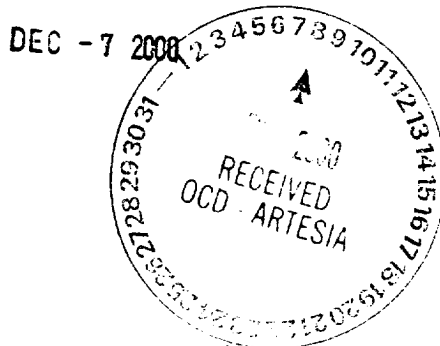
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

IN REPLY REFER TO:
3162.4
NM-88134, NM-94623



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

Dear Operator:

Your Application for Permit to Drill (APD), for the following wells 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.

30-015-29738

NM-88134 9-H. B. '11' Federal 750'/N & 2310'/E Sec. 11-T24S-R29E approved
7/17/97

Do not have
NM-88134 7-H. B. '11' Federal 2460'/S & 1980'/W Sec. 11-T24S-R29E approved
1/29/98

NM-94623 1-Gaucha '28' Fed. 1980'/S & 660'/W Sec. 28-T22S-R34E approved
1/25/99

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, 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) to the Roswell Field Office. Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements