

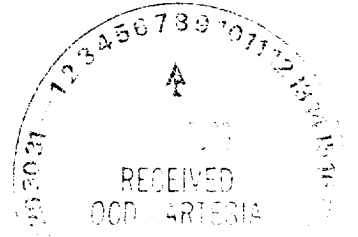


United States Department of the Interior

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-018033, NM-0475051, NM-0475051



DEC - 7 2000

Mallon Oil Company
P O Box 3256
Carlsbad, NM 88220

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.

NM-018033	3-Wadi 9 Fed.	660'/S & 1000'/W	Sec. 9-T24S-R26E	approved
10/3/97 and extension approved 11/1/99				
NM-0474051	4-Wadi 9 Fed.	1980'/N & 660'/E	Sec. 9-T24S-R26E	approved
10/14/97 and extension approved 11/1/99				
NM-0475051	5-Wadi 9 Fed.	660'/N & 660'/E	Sec. 9-T24S-R26E	approved
4/9/99				
NM-0475051	6-Wadi 9 Fed.	1980'/N & 1980'/E	Sec. 9-T24S-R26E	approved
10/14/97 and extension approved 11/1/99				
NM-0475051	7-Wadi 9 Fed.	660'/N & 1980'/E	Sec. 9-T24S-R26E	approved
10/14/97 and extension approved 11/1/99				

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.