



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
Tel. (505) 234-5972
Fax (505) 885-9264

IN REPLY REFER TO:

3162.4

NM-0384573, NM-0467934

DEC 28 2001

Shahara Oil, LLC
207 W. McKay
Carlsbad, NM 88220



Dear Mr. Hughes:

Your Applications for Permit to Drill (APDs), for the following wells have 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-0384573 Grayburg Jackson PSU FG #4 790'N & 2110'W Sec. 34, T. 17S, R. 30E
APD approved on 10/30/00

NM-0467934 Grayburg Jackson PSU Tract AD #14 1310'N & 15'W Sec. 27, T. 17S, R. 30E
APD approved on 07/13/98, last approved extension expired on 07/13/01

NM-0467934 Grayburg Jackson PSU Tract AD #13 1310'N & 2310'W Sec. 27, T. 17S, R. 30E
APD approved on 07/14/98, last approved extension expired on 07/14/01

NM-0467934 Grayburg Jackson PSU BB #2 30'N & 2310'E Sec. 33, T. 17S, R. 30E
APD approved on 10/27/00

NM-0467934 Grayburg Jackson PSU BB #3 870'N & 600'E Sec. 33, T. 17S, R. 30E
APD approved on 08/29/00

If drilling operations have commenced on the referenced wells, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies for each well) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, so we may correct our records.

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

UT A 30-015-30343