



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:

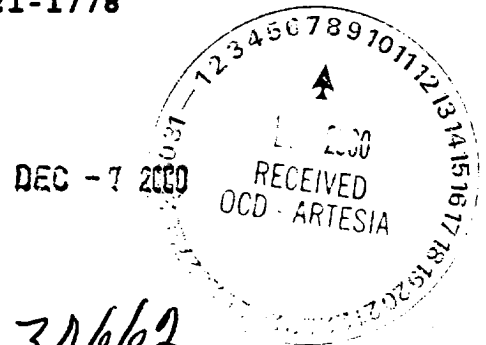
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NM-84851

Chi Operating Inc.

P O Box 1799

Midland, Texas 79702



Dear Sirs:

Your Application for Permit to Drill (APD), approved June 2, 1999, for the CV '14' Federal #2, located 2173' FSL and 1760' FWL, Section 14, T16S, R27E, Eddy County, New Mexico, Lease No. NM-84851 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) 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 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,

Linda D. Denniston

Production Accountability Tech

cc: BLM-I&E (CFO)
NMOCD (Artesia)
L Askwig (RFO)