



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88202

IN REPLY REFER TO:
NM-104730

AUG 08 2001

Merit Energy Company
Attn: Arlene Vallquette
12222 Merit Drive, Suite 1500
Dallas, TX 75251

Dear Ms. Vallquette:

As per our telephone conversation on August 8, 2001, we are canceling your Application for Permit to Drill for the #16 Sundance Federal, Section 5, T. 24 S., R. 31 E., 660' FSL and 1980' FEL. If you have any questions, please call me at (505) 627-0248.

(ORIG. SSG.) ARMANDO A. LOPEZ

Armando A. Lopez
Petroleum Engineer

NMOCD (Artesia)
B. Hill (CFO)
I&E (CFO)