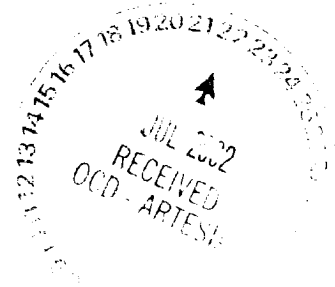




United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220  
Tel. (505) 234-5972  
Fax (505) 885-9264

IN REPLY REFER TO:  
3162.4  
LC-029387-C, LC-030174-A,  
NM-052

JUL 19 2007



Gruy Petroleum Management Co.  
P. O. Box 140907  
Irving, TX 75014

Gentlemen:

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.

LC-029387-C	Kenwood Shugart Fed. #1	990'N & 990'W	Sec. 29, T.18S, R.31E
APD approved on 03/30/01			
LC-030174-A	Rhodes Federal Unit #226	1980'N & 1550'E	Sec. 22, T.26S, R.37E
APD approved on 05/30/01			
LC-030174-A	Rhodes Federal Unit #227	1980'N & 990'W	Sec. 22, T.26S, R.37E
APD approved on 05/30/01			
NM-052	Mallon 35 Federal #4	660'S & 660'W	Sec. 35, T.19S, R.34E
APD approved on 06/06/95, last approved extension expired on 06/06/02			

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.