

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF-078097 (WC) 3162.3-2 (21110)

June 27, 2006

Ms. Mary L. Corley BP America Production Co. PO Box 3092 Houston, TX 77253-3092

Dear Ms. Corley:

30-045-33021

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Reference is made to your well No. 1E Zachary LS located 1750' FNL & 2200' FWL sec. 25, T. 31 N., R. 11 W., San Juan County, New Mexico, Lease FEE. Also referenced is your Sundry Notice dated June 22, 2006, which stated the subject well was drilled into a FEE lease. Since the well has been completed in FEE owned minerals, the Application for Permit to Drill (APD) issued by the BLM is here by rescinded. You are required to submit an APD to the NMOCD for approval.

Sincerely,

Original Signed: Stephen Mason

Stephen Mason Petroleum Engineer, Petroleum Management Team

cc: NMOCD

