



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 3, 2006

Merrion Oil & Gas Corp
610 Reilly Ave
Farmington NM 87401-2634

Re: Mississippi Mud #1 Sec 12-T24N-R02W Rio Arriba Co, NM

30-039-27769

Gentlemen:

Please be advised that your permit to drill the referenced well has expired and has been cancelled. If drilling operations have commenced, you should contact this office immediately.

If you wish to drill the well in the future, it will be necessary to submit a new Form C101, Application to Drill, and drilling package for review and approval.

Sincerely,

Charlie Perrin

District III Supervisor

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Well File