

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

September 27, 2006

Enerdyne, LLC PO Box 502 Albuquerque, NM 87103

Re: State #101

Sec 28-T20N-R09W

McKinley Co., NM

API 30-031-21073

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

Charlie T. Lerrin

/ks

Well File