



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

November 1, 2006

SG Interest I Ltd
PO Box 2677
Durango CO 81302

Re: State 21 7 16 #3 Sec 16-T21N-R07W Sandoval Co., NM 30-043-20993

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 this 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,

A handwritten signature in cursive script that reads "Charlie T. Perrin".

Charlie Perrin
District III Supervisor

/ks
Well File