



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292

In Reply Refer To:
3162.4 (080)
NM-103571

AUG 11 2003



Kukui Operating Company
203 West Wall Suite 810
Midland, TX 79701

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.

NM-103571 Highlands 25 Federal #3
APD approved on 6/7/02

760'S & 990'E

Sec. 25, T.19S, R.21E

30-015-32334

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.

If you wish to drill these wells at a later date, please submit a complete application (1 original and 5 copies for each well) to the Roswell Field Office. Since the original APDs have expired, the resubmitted APDs will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APDs that they were previously approved and we will review the expired files for information which will help expedite the processing. If you have any questions please contact Joe Lara at (505) 234-5915 or Betty Hill at (505) 234-5937.

Sincerely,

/s/ Mary J. Rugwell

Mary Jo Rugwell
Assistant Field Manager
Lands & Minerals

bcc:
BLM-I&E (CFO/Hobbs)
NMOCD (Artesia/Hobbs)
NM (062, L Askwig)