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Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806



July 31, 2006

Oil Conservation Division
1301 W Grand Ave
Artesia, NM 88210

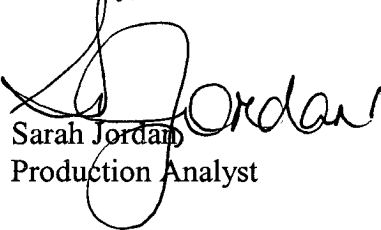
Re: Red Lake 33 Federal E #1 - 1650 FNL and 900 FWL, Sec 33-17S-27E, Eddy Co, NM
Red Lake 33 Federal E #2 - 2310 FNL and 660 FWL, Sec 33-17S-27E, Eddy Co, NM
Red Lake 32 State I #1 - 2310 FSL and 330 FEL, Sec 32-17S-27E, Eddy Co, NM
Red Lake 32 State H #1 - 1650 FNL and 330 FEL, Sec 32-17S-27E, Eddy Co, NM

To Whom It May Concern:

NPC would like to cancel the referenced APD's. We do not plan to drill these wells. Please dispose of the permit.

If I can be of any further assistance please do not hesitate to call.

Sincerely,


Sarah Jordan
Production Analyst

/sj