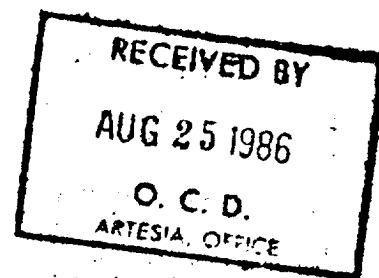


C/SF

3162.4 (067)

August 20, 1986

David Fasken
608 First National Bank Building
Midland, Texas 79701



Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well El Paso Federal No. 8, Lease No. NM-911, 3175 FNL and 2355 FEL, Section 2, T. 21 S., R. 26 E., has been cancelled.

The APD is considered expired if drilling activity has not commenced within one year after approval. Should you desire to drill this well at a later date, you will be required to re-submit the proper forms for approval.

Sincerely,


Charles S. Dahlen
Area Manager

Post IO-2
9-5-86
Esp. INT.