

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220-6292



MAY 2 2 2006

In Reply Refer To: NM-16357 3162.4 (52200)

Nearburg Producing Company 3300 N. A St., Bldg 2 Ste 120 Midland, TX 79705

Gentlemen:

Your Application for Permit to Drill (APD), for the following well has 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.

Kudu 9 Federal #3 NM-16357 APD approved 02/01/05

1650'/S & 330'/E

Sec. 09, T.19S., R.33E.

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) to this Office, so we may correct our records.

If the well has 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 this well at a later date, please submit a complete application (1 original and 5 copies) to this Office. Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing. If you have any questions please contact Betty Hill at (505) 234-5937.

Sincerely,

Russell E. Sorensen Assistant Field Manager Lands & Minerals

bcc:

BLM I&E (HFS) NMOCD (Hobbs) NM (513, L. Askwig) 30-025-37079