

May 9, 1990

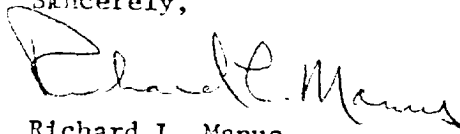
Union Oil Company of California
P.O. Box 671
Midland, TX 79702

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD)
for Well Chevron Federal No. 1, Lease No. NM-015072, 330' FSL and
1650' FEL, Section 12, T. 15 S., R. 34 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,



Richard L. Manus
Area Manager

cc: RDO
NMOCD (Artesia/Hobbs)