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June 20, 1990

Mitchell Energy Corporation 400 W. Illinois, Suite 1000 Midland, TX 79701

Gentleman:

Your Application for Permit to Drill, Deepen, or Plug Back (AFD) for Well Federal "SB" A No. 1, Lease No. NM-56251, 1980' FNL and 1980' FWL, Section 12, T. 19 S., R. 32 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 hter date, you will be required to resubmit the proper fprms for approval.

Sincerely,

Richard L. Manus Area Manager

cc: RDO NMOCD (Artesia/Hobbs)